

FOREIGN POLICY ORIENTATION OF SMALL ISLAND
STATES: AN EVALUATION OF THE FOREIGN POLICIES OF
VANUATU AND THE MALDIVES

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ABSTRACT

The limited literature on the foreign policy of small states is riddled with diverse views on the most effective policy orientation for these countries. Some scholars have specified multilateralism as the most effective strategy while others have suggested regionalism and some others have stressed bilateralism. While this is the case, small states being heavily dependent on the external environment and the least equipped to influence events or processes at the international level, find it essential to ensure that their foreign policy orientation is the most effective. As such, there is a need for additional research on the subject, as that undertaken in this thesis.

Guided by the framework for evaluation suggested by G.A. Raymond, this thesis attempted to evaluate the foreign policies of Vanuatu and the Maldives to determine whether there is any justification to argue in favour of multilateralism, regionalism or bilateralism as the most effective foreign policy strategy for small island states, a sub-group within the category of small states. Vanuatu and the Maldives were used as case studies since their policies were of the same class or universe rendering them suitable for comparison. Three foreign policy goals that have been identified for evaluation included, preserving and enhancing security and sovereignty; economic development; and environment protection. These goals were tied to several objectives. The thesis, using the comparative method, attempted to determine the relative effectiveness of the strategies, multilateralism, regionalism and bilateralism, in contributing towards realising the foreign policy objectives and thereby the goals.

The evaluation revealed that multilateralism was more effective overall in contributing towards the security and sovereignty related objectives and the environment related objectives of Vanuatu and the Maldives. Both bilateralism and multilateralism were equally effective for Vanuatu and the Maldives in contributing towards their economic development related objectives. The evaluation also revealed a slight bias in favour of multilateralism as more effective overall compared to regionalism and bilateralism, in contributing towards the three foreign policy goals of the two countries. This was because all of the objectives were given equal weight in the analysis. If the objectives were prioritised then the results would have been different. In fact, different strategies proved effective in contributing towards different objectives and goals. Often more than one strategy had to be used in furthering a single objective or goal. As such, based on the evaluation of this thesis, there is no justification to argue in favour of any one strategy as more effective for the foreign policy of small states.

ACRONYMS

AOSIS - Alliance of Small Island States
 APT - Asia Pacific Telecommunity
 CGSS - Consultative Group on Small States
 CHARM - Customs Heads of Administration Regional Meeting
 CHOGM - Commonwealth Heads of Government Meeting
 CRP - Comprehensive Reform Program
 CSD - Commission for Sustainable Development
 DAC - Development Assistance Committee
 EEZ - Exclusive Economic Zone
 ESCAP - Economic and Social Council for Asia and the Pacific
 EU - European Union
 FLNKS - Front de Libération National Kanak et Socialiste
 FOB - Freight on Board
 G77 - Group of 77
 GATT - General Agreement on Tariffs and Trade
 GDP - Gross Domestic Product
 GEF - Global Environmental Facility
 GNP - Gross National Product
 GSP - Generalised System of Preferences
 ICSU - International Council of Scientific Unions
 IDA - International Development Association
 IMF - International Monetary Fund
 INC - Inter-governmental Negotiating Committee
 IOZOP - Indian Ocean Zone of Peace
 IPCC - Inter-governmental Panel on Climate Change
 LDC - Least Developed Countries
 MANH - Mouvement Autonome des Nouvelles-Hébrides
 MGSS - Ministerial Group on Small States
 MIFCO - Maldives Industrial Fisheries Company Ltd.
 MOU - Memorandum of Understanding
 MPHRE - Ministry of Planning, Human Resources and Environment
 MFA - Multi-Fibre Arrangement
 NAM - Non-Aligned Movement
 NATO - North Atlantic Treaty Organisation
 NHNP - New Hebrides National Party
 NSS - National Security Services
 NUP - National United Party
 ODA - Official Development Assistance
 OECD - Organisation for Economic Co-operation and Development
 OIC - Organisation of the Islamic Conference
 OPEC - Organisation of Petroleum Exporting Countries
 PILOM - Pacific Islands Law Officers Meeting
 PLOTE - People's Liberation Organisation of Tamil Eelam
 RPCR - Rassemblement pour la Calédonie dans la République
 SAARC - South Asian Association for Regional Co-operation
 SADF - South Asia Development Fund
 SAFTA - South Asia Free Trade Area
 SANWFZ - South Asia Nuclear Weapons Free Zone
 SAPTA - South Asia Preferential Trading Arrangement
 SARC - South Asia Regional Co-operation

SCCI - SAARC Chamber of Commerce and Industry
SDOMD - SAARC Drug Offences Monitoring Desk
SFRP - SAARC Fund for Regional Projects
SPARTECA - South Pacific Regional Trade and Economic Co-operation Agreement
SPC - South Pacific Commission
SPCPC - South Pacific Chiefs of Police Conference
SPF - South Pacific Forum
SPNFZ - South Pacific Nuclear Free Zone
SPREP - South Pacific Regional Environment Programme
SRF - SAARC Regional Fund
STOMD - SAARC Terrorist Offences Monitoring Desk
TRAINS - Trade Analysis and Information Systems
TU - Tan-Union
UMP - Union of Moderate Parties
UNCED - United Nations Conference on Environment and Development
UNCLOS - United Nations Conference on Law of the Sea
UNCTAD - United Nations Conference on Trade and Development
UNDRO - United Nations Disaster Relief Organisation
UNEP - United Nations Environment Programme
UNICEF - United Nations International Children's Education Fund
VMF - Vanuatu Mobile Force
VP - Vanua'aku Pati
VULCAN - Vila Urban Land Corporation
WMO - World Meteorological Organisation
WTO - World Trade Organisation

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CHAPTER I

INTRODUCTION

1.1 - General Introduction

The past three to four decades witnessed a large number of small island states gain independence and become sovereign members of the international community.¹ Yet, as Keohane noted in 1969 and Henderson in 1991 the study of the foreign policy of small states has not received its due attention in international relations scholarship.² This was unfortunate since small island states are among the most dependent on the international environment for their socio-economic development and security.³ The economies of small island states, for example, have largely survived on revenue generated from tourism, foreign aid, and preferential access to external markets. Likewise, in the area of security much of the strength of small states is derivative from the external environment.⁴

¹ Small Island States is defined in pp. 21-25.

² J. Henderson, 'New Zealand and the Foreign Policy of Small States', in R. Kennaway and J. Henderson (eds.), *Beyond New Zealand II: Foreign Policy into the 1990s*, Longman Paul, Auckland, 1991, pp. 3-13; and R. O. Keohane, 'Lilliputians' Dilemmas: Small States in International Politics', *International Organisation*, 23, 1969 pp. 291-310.

³ The characteristics of small states are discussed in, Commonwealth Consultative Group on the Special Needs of Small States, *Vulnerability: Small States in the Global Society*, Commonwealth Secretariat, London, 1985, pp.14-22; Commonwealth Advisory Group, *A Future For Small States: Overcoming Vulnerability*, Commonwealth Secretariat, 1997, pp. 9-13, 17-22, 24-26 and 65-74; B. Benedict (ed.), *Problems of Smaller Territories*, Athlone Press, 1967, p. 35; A.J. Dolman, 'Paradise Lost? The Past Performance and Future Prospects of Small Island Developing Countries', in E. Dommen & P. Hein (eds.), *States, Microstates and Islands*, Croom Helm, Kent, 1985, pp. 40-69.

⁴ M.I. Handel, *Weak States in the International System*, Frank Cass, London, 1990, p.257.

Small island states with their great need to interact, influence and benefit from the international community lack economic or military power to wield in the conduct of their foreign policy. They do not have the resources to adequately address tasks such as information gathering which are essential for prudent foreign policy making. Their overseas diplomatic representation, membership in international organisations, and participation in international meetings and conferences are restricted by financial and human resource constraints. Consequently, small island states have to be parsimonious and selective in their foreign policy emphasis and strategies to realise the greatest payoffs from minimal expenditure. This calls for intense scholarly attention to the foreign policy of small island states.

Various international politico-economic changes during the past decade have heightened the need and urgency for closer scholarly scrutiny of the foreign policy of small island states. Among these changes were the end of the Cold War which drastically altered the very fabric of international relations; a steady decline in foreign aid; the institution of a new global trading regime initiating the erosion of preferential market access for small states; emergence of new threats such as global warming and sea level rise; and the escalation of existing threats from various types of criminal elements. Small island states being the most vulnerable and therefore the first to be affected by changes in the global system have to find efficient ways and means to adjust to this changing global environment. It is imperative that these states with very limited resources ensure that their foreign policy orientation is the most effective.

There is no agreement among scholars as to the most effective foreign policy orientation for small island states. Some scholars have identified multilateralism as the most effective foreign policy orientation, others have suggested regionalism and yet others have specified bilateralism.⁵ The Commonwealth Consultative Group on the Special Needs of Small States, for example, while suggesting the need for diplomatic initiatives simultaneously at the bilateral and multilateral levels, argued that for "small states, as for most states, bilateral relations are of the highest importance".⁶ The Group also went on to note that major powers and neighbouring states must naturally have priority in this respect.

In contrast to the above suggestion, Paul Sutton and Anthony Payne have recommended regionalism as the most important foreign policy tool for small states.⁷ They argued that small states could overcome their intrinsic vulnerabilities including openness, islandness, dependence, and weakness, by closer co-operation among themselves, both in existing regional organisations and through the creation of new ones. Sutton and Payne also specified that within the growing anarchy of the international system in the 1990s the best defence for small states lies in enhancing the resilience of their political systems and by promoting schemes of collective military and economic security among regional states. Herr has noted that the belief that regional co-operation is imperative for the survival of the South Pacific island states has become so widely accepted as to virtually enjoy the status of a political axiom.⁸ A similar view was shared by

⁵ Multilateralism, regionalism and bilateralism are defined in pp. 10-21.

⁶ Commonwealth Consultative Group, *Vulnerability*, op. cit., p. 68.

⁷ P. Sutton, & A. Payne, 'Lilliput Under Threat: the Security Problems of Small Island and Enclave Developing States', *Political Studies*, vol. 49, 1993, pp. 579-593.

⁸ R.A. Herr, *Institutional Sources of Stress in Pacific Regionalism*, working paper series, Pacific Islands Studies Centre for Asia and

Maurice East who argued that in the post-Cold War world, regionalism is becoming more salient and relevant and that small states needed to re-examine the allocation of their resources between global and regional endeavours.⁹

Some other scholars are in favour of multilateralism over both regionalism and bilateralism. In discussing the security of small states Rothstein for example, argued that "small powers ought to prefer mixed, multilateral alliances".¹⁰ His justification was that such alliances provided the "most benefits in terms of security and political influence" for small states. Similarly, in an article on the relevance and functions of diplomacy for small Caribbean states Ron Sanders suggested that the prospect for the survival of small states in economic and security terms was dependent on their active participation in the United Nations.¹¹

These disparate perceptions demonstrate a definite need for further studies on the foreign policy orientation of small states, which this dissertation aims to cater to. It is the contention of this thesis that there is not enough evidence to substantiate claims in favour of multilateralism, regionalism or bilateralism as a more useful foreign policy strategy for small states. To verify the validity of this view an attempt is made below to evaluate the foreign policy strategies of Vanuatu and the Maldives to determine

the Pacific Studies, University of Hawaii at Manoa, Honolulu, 1980, p. 1.

⁹ M.A. East, 'Foreign Policy-Making in the Post-Cold War Era: Examples from New Zealand', in R. Pettman (ed.), *Rethinking Global Affairs: New World Order/New International Relations/New Zealand*, Department of Political Science, Victoria University, Wellington, 1996, pp. 25-32.

¹⁰ R.L. Rothstein, *Alliances and Small Powers*, Columbia University Press, New York and London, 1968, p. 177.

¹¹ R. Sanders, 'The Relevance and Function of Diplomacy in International Politics for Small Caribbean States', *The Round Table*, no. 312, 1989, pp. 413-424.

whether there is any merit to claims that either multilateralism, regionalism or bilateralism is a more useful or effective foreign policy strategy for small states. It is hoped that this dissertation will contribute to a better insight into the foreign policy of small states and particularly small island states, an area largely neglected in international relations scholarship.

Before proceeding any further the important concepts used in this thesis will be briefly explained below.

1.1a - Multilateralism

Multilateralism has been used in different contexts and ways in international relations scholarship.¹² The conventional diplomatic usage of the term multilateralism refers to contacts among three or more states, but not necessarily within the framework of an intergovernmental conference or organisation.¹³ Cox has described this type of multilateralism restricted to states as "political multilateralism".¹⁴ Another slightly different definition of multilateralism is provided by Papadopoulos, who defined the term as "the conduct of international relations and their adjustment between and among several international actors, mainly within the framework of inter-governmental organisations".¹⁵ Multilateralism has also been commonly used to refer to certain types of economic arrangements.

¹² The evolution of multilateralism and the various intellectual approaches to multilateralism are very comprehensively discussed in, R.W. Cox, 'Multilateralism and World Order', in *Review of International Studies*, vol. 18, 1992, pp. 161-180.

¹³ J. Kaufmann, *Conference Diplomacy An Introductory Analysis*, 2nd edition, Martinus Nijhoff Publishers, Dordrecht, 1988, p. 2.

¹⁴ Cox 'Multilateralism', op. cit., p. 162.

¹⁵ A.N. Papadopoulos, *Multilateral Diplomacy within the Commonwealth: A Decade of Expansion*, Martinus Nijhoff Publishers, Dordrecht, 1982, p. 4.

Miriam Camps and William Diebold, Jr., have used multilateralism to refer to what they called "the trade side of the Bretton Woods world".¹⁶

The economic definition of multilateralism is said to have emerged from the negotiations between the United States and Britain for the constitution of the post-World War II economic order. Cox has noted that in the context of the above negotiations in which the United States used its economic leverage to pressure Britain to abandon the preferential trade and payments system encompassing the Commonwealth and Empire, economic multilateralism meant "the structure of world economy most conducive to capital expansion on a world scale"; and political multilateralism meant the "institutionalised arrangements made at that time and in those conditions for inter-state cooperation on common problems".¹⁷

Since the 1950s the global society has changed drastically. Various types and forms of transnational business alliances have been formed and new actors such as non-governmental organisations, which derive their support from different corners of the world, have gained substantial influence on certain issues of global significance. Thus it is true that multilateralism today has to take into consideration these changes.¹⁸ This makes the scope of multilateralism extremely broad.

However given the scope of this thesis the term multilateralism had to be purposefully limited to arrangements involving states. As

¹⁶ M. Camps, and W. Diebold, Jr., *The New Multilateralism: Can the World Trading System be Saved*, Council on Foreign Relations, Inc., New York, 1983, p. 24.

¹⁷ Cox 'Multilateralism', op. cit., p. 162.

¹⁸ Ibid., p. 162-163.

such, this thesis borrows for use Keohane's definition of multilateralism, "the practice of co-ordinating national policies in groups of three or more states, through ad hoc arrangements or by means of institutions".¹⁹ However, the thesis excludes from this definition those arrangements and institutions that fall within the framework of regionalism which will be defined in the section on regionalism below.

As defined by Keohane institutions meant "persistent and connected sets of rules, formal and informal, that prescribe behavioural roles, constrain activity, and shape expectations".²⁰ Multilateral institutions then are multilateral arrangements that can take the form of international regimes or bureaucratic organisations.²¹

Based on the above definition the most significant multilateral institutions discussed in this thesis include organisations such as the United Nations, the Commonwealth, the Non Aligned Movement (NAM), the Alliance of Small Island States (AOSIS), and arrangements like the Lomé Convention. This does not in anyway mean that these institutions are similar. There are differences between each and every one of these institutions. The discussion below will demonstrate their main difference.

The United Nations for instance, includes within its folds almost all the states within the international community and has its membership open to the rest. The purposes of this organisation enshrined in its Charter includes the maintenance of international

¹⁹ R.O. Keohane, 'Multilateralism: an agenda for research', *Canadian Institute of International Affairs*, vol. XLV, no. 4, Autumn, 1990, pp. 731-764.

²⁰ Ibid., p. 732.

²¹ Ibid.

peace and security, co-operation in solving economic and social problems and encouraging respect for human rights and fundamental freedom for all.²² The organisation carries out a multitude of activities in areas such as international peace and security, socio-economic development and environment protection. This organisation could be considered the closest to a global organisation in the present day world.

The Commonwealth is referred to by some as a quasi-global organisation. The membership of the organisation is open only to former British dependencies or dependencies of other Commonwealth members.²³ The Maldives, which was a former protectorate of Britain, sought membership of the organisation in 1985, some twenty years after independence.

Among the aims of the Commonwealth are supporting the United Nations in fostering peace and security in the world; promoting equality among individuals; combating racial prejudice; furthering the principles of self-determination; fighting poverty, ignorance, disease, and raising the standard of living of all societies.²⁴ Although some of these aims are similar to those of the United Nations the scope of Commonwealth's activities are much more limited in most areas.

The NAM was an organisation that was founded by Nasser of Egypt, Tito of Yugoslavia and Nehru of India, during the Cold War era. The

²² A. Boyd, *The United Nations Organisation Handbook*, The Pilot Press Ltd., London, 1946, p. 37.

²³ Papadopoulos, *Multilateral Diplomacy*, op. cit., p. 6.

²⁴ Commonwealth Heads of Government Meeting, *The Declaration of the Commonwealth Principles*, issued by the Commonwealth Heads of Government meeting in Singapore, 1971, Commonwealth Secretariat, London, n.d., pp. 1-3.

organisation technically included in its membership those countries that did not align with any warring side in the context of the Cold War.²⁵ Some of the preoccupations of the organisation include, protesting against colonialism, moderation of the East-West tension, and since the 1970s the restructuring of the global system in the direction of greater equity in North-South relations.²⁶

The AOSIS was an organisation formed in 1990 by small island states for the purpose of collective diplomacy on the issue of global warming and climate change.²⁷ The organisation has its membership open to small island states. The organisation presently has some 47 states as members. The activities of this organisation will be discussed in detail in chapter IV.

Unlike the organisations discussed above the Lomé Convention is an economic arrangement between the European Union and the African, Caribbean and the Pacific (ACP) states. This arrangement will be discussed in more detail in chapter III.

Despite their differences the institutions discussed above have two things in common - they are all multilateral in nature and involve diplomacy at the multilateral level; and the two states focused in this thesis are either members of or a party to these institutions. The only exception is the Lomé Convention of which only Vanuatu is a party.

²⁵ For the criteria for membership as defined by the founding fathers of the organisation see, A.W. Singham & S. Hune, *Non-Alignment in an Age of Alignments*, Lawrence Hill & Co., Connecticut, 1986, p. 39. The question of whether the members of the organisation were truly non-aligned is discussed in, S. Yasmeen, *Is the Non-Aligned Movement Really Non-Aligned*, working paper no. 141, Strategic Defence Studies Centre, Australian National University, Canberra, 1987.

²⁶ Ibid., p. xiii.

²⁷ Collective diplomacy is discussed in Chapter IV.

1.1b - Regionalism

The definition of multilateralism is so broad that the phenomena referred to in this thesis as regionalism falls within its framework unless purposefully distinguished. Such distinction between multilateralism and regionalism is not new in international relations and is very important for the purposes of this thesis.²⁸

There is no agreement among scholars on the definition of regionalism due to the difficulty in determining the criteria for delineating regions.²⁹ Karl Deutsch for example defined a region as a few countries united by some geographical, cultural or historical associations, or by economic and financial ties, or by political liberal mindedness and similarity of social institutions, or by some combination of all these factors.³⁰ Under such definitions almost all non-universal associations of states from the Commonwealth to the North Atlantic Treaty Organisation (NATO) and the Arab League can be considered regional organisations as Ball and Killough have noted.³¹

²⁸ Literature in which a distinction has been made between regionalism and multilateralism include for example, P. Krugman, 'Regionalism Versus Multilateralism: analytical notes' in R. Garnaut & P. Drysdale (eds.) *Asia Pacific Regionalism: Readings in International Economic Relations*, Harper and Collins Publishers, Pymble, 1994, pp. 167- 178; J. Bhagwati, 'Regionalism and Multilateralism: an overview', Garnaut & Drysdale (eds.), *Asia Pacific*, op. cit., pp. 145-161; and Ministry of Foreign Affairs and Trade (MFAT), *New Zealand and Trade Policy: Implementation and Directions: A Multitrack Approach*, MFAT, Wellington, 1993, p. 60. Advantages of using the category of regionalism in the study of international relations is discussed in, L.J. Cantori & S.L. Spiegel (eds.), *International Politics of Regions*, Prentice-Hall, Inc., New Jersey, 1970, pp. 4-5.

²⁹ For a discussion on the criteria of defining a region see, B.M. Russett, *International Regions and the International System: a study in political ecology*, Yale University Rand McNally & Company, Chicago, 1967, p. 2-7.

³⁰ K.W. Deutsch, *The Analysis of International Relations*, 2nd edition, Prentice Hall Inc., New Jersey, 1978, p. 226.

³¹ M.M. Ball and H.B. Killough, *International Relations*, Stevens & Sons Limited, London, 1956, p. 447. For a discussion on the

Such usage stretches the meaning of regionalism too broad rendering it meaningless.

The question then is whether to use geographic proximity, contiguity, homogeneity, interdependence, loyalties, or any other criteria to define regions. Cantori and Spiegel have identified 15 regions which they call "subordinate systems", based on the following criteria - "a subordinate system consists of one state, or two or more proximate and interacting states which have some common ethnic, linguistic, cultural, social and historical bonds, and whose sense of identity is sometimes increased by the actions and attitudes of states external to the system".³² This is a useful definition of region as far as this thesis is concerned.

The regions identified by Cantori and Spiegel include the region of "Southwest Pacific" which consists of Australia, New Zealand and the island states of the South Pacific; and the region of "South Asia" which includes Bangladesh, India, Pakistan, Nepal, Bhutan, Sri Lanka, the Maldives, Burma and Afghanistan. Cantori and Spiegel have noted that Afghanistan and Burma could possibly be a member of another region. As far as this thesis is concerned the delineation of Southwest Pacific is acceptable but will be referred to here as the South Pacific, and the region of South Asia includes all the countries identified by Cantori and Spiegel with the exception of Burma and Afghanistan which are not generally considered South Asian.

classification of regional organisations see, L.H. Miller, 'Regional Organisations and Subordinate Systems', in Cantori & Spiegel (eds.), *International Politics of Regions*, op. cit., pp. 357-379.

³² Cantori and Spiegel (eds.), *International Politics of Regions*, op. cit., pp. 6-7.

Although this thesis accepts Cantori and Spiegel's criteria of a region as consisting of one state or two or more proximate and interacting states, the thesis will argue that the concept of regionalism involves the practice of co-ordinating national policies in groups of three or more states, through ad hoc regional arrangements or by means of regional institutions. Here regional institutions mean those institutions which have their aims and objectives primarily focused on serving the interests of one particular region, and involving at least a majority of the countries of that region. Some of the most significant regional organisations focussed in this thesis include the South Pacific Commission (SPC), the South Pacific Forum (SPF), the Forum Fisheries Agency (FFA), and the South Pacific Regional Environment Program (SPREP), in the South Pacific region; and the South Asian Association for Regional Cooperation (SAARC), in South Asia. These organisations are briefly discussed below.

The SPC was set-up in 1947 by Australia, Britain, France, the United States, Netherlands and New Zealand. The mission of the organisation was to contribute to the socio-economic development of the South Pacific islands through applied research in related areas, the provision of technical advice, assistance and training.³³ Initially the inhabitants of the South Pacific island states did not have a say in the SPC. However increasing pressure by regional countries gradually opened the door for full and equal membership of all the regional states in the Commission.³⁴ In 1998 SPC was renamed the Pacific Community.

³³ Netherlands withdrew from SPC in 1962 when it ceased to control Dutch New Guinea, now Irian Jaya. The United Kingdom withdrew from the Commission in 1996. The origins, structure, membership and the implication of SPC to the region is discussed in, M. Haas, *The Pacific Way: Regional Cooperation in the South Pacific*, Praeger Publishers, New York, 1989, pp. 31-39; the aims and activities of SPC are discussed in, SPC, *The South Pacific Commission: History Aims and Activities*, 13th edition, SPC, Noumea, 1998.

³⁴ SPC, *The South Pacific Commission*, op. cit., pp. 17-20.

The other most important organisation in the region is the SPF set up in 1971 by Cook Islands, Fiji, Nauru, Tonga and Western Samoa, the five regional small states that have by then attained independence or self-governing status. The main reason for setting up this new organisation was the desire of regional small states for co-operation on political issues and the inability to do so through the SPC, which restricted deliberations to purely socio-economic areas.³⁵ Australia and New Zealand, being regional countries, were admitted shortly after the founding meeting in 1971, hosted by the government of New Zealand. The membership of the Forum has now enlarged to include the following additional members - Niue, PNG, Kiribati, Solomon Islands, Tuvalu, the Federated States of Micronesia (FSM), Marshall Islands, and Vanuatu. The Forum meets annually at the Heads of State level. The focus of the organisation has been socio-economic and political issues that will be discussed in more detail in Chapters II, III and IV.

The FFA was set up in 1979. The membership of the organisation includes the members of the SPF. The FFA provides members with a range of services including involvement in the monitoring and surveillance of the regional EEZs, providing technical assistance, and the collection and dissemination of scientific data and information in the area of fisheries. As discussed in chapter III the organisation also provides a vehicle through which the regional countries could collectively deal with distant water fishing countries.

The SPREP was established in 1980 as a joint initiative by the SPC and the SPF. The organisation plays a co-ordinating role on environment related issues in the South Pacific. The organisation also carries out a broad range of activities in managing and improving the natural environment of the region through the protection of biological diversity, increasing awareness in the

³⁵ S. Henningham, *The Pacific Island States: Security and Sovereignty in the post-Cold War World*, Macmillan Press Limited, London, 1995, p. 15.

region on environment protection, and the provision of education and training for the management of the regional environment and resources as discussed in more detail in chapter IV.

In addition to the above regional institutions the thesis also discusses a sub-regional organisation in which Vanuatu is a member. This organisation is the Melanesian Spearhead Group (MSG) formed in 1985 by Solomon Islands, Papua New Guinea and Vanuatu.³⁶ The Group was initially intended for co-operation in campaigning against French colonialism in New Caledonia and nuclear testing in the South Pacific.³⁷ The Agreed Principles for Co-operation entered into in 1988 included co-operation in areas such as trade and culture.³⁸ Kanaks of New Caledonia were admitted to MSG in 1990. Fiji became an observer of MSG in 1993 and a full member in 1996.

In the case of South Asia only one main regional organisation, the South Asian Association for Regional Cooperation (SAARC), is considered in this thesis. This organisation which was set-up in 1985 include Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka. The SAARC Charter notes that the association was formed on the conviction of member states that regional co-operation would be "mutually beneficial, desirable and necessary for promoting the welfare and improving the quality of life of the peoples of the region".³⁹ Among the fundamental principles of the organisation are the respect for sovereign equality, territorial integrity, political independence and non-interference in the internal

³⁶ Factors that led to the development of a Melanesian identity that contributed to the formation of MSG are discussed in 1.4a of this chapter.

³⁷ Haas, *The Pacific Way*, op. cit., p. 126.

³⁸ The Agreed Principles for Cooperation are in R. Grynberg & T. T. Kabutaulaka, 'The Political Economy of Melanesian Trade Integration', *Pacific Economic Bulletin*, vol. 10, no. 2, December 1995, p. 51.

³⁹ 'Charter of SAARC', in R.P. Anand, *South Asia: in Search of a Regional Identity*, Banyan Publications, New Delhi, 1991, Appendix C, para. 4.

affairs of other states.⁴⁰ The decisions of the organisation are made on the basis of unanimity. The objectives of SAARC include regional economic development; strengthening collective self-reliance; contributing to mutual trust; promoting collaboration and assistance in social, cultural, technical and scientific fields; and joint action in international forums on matters of common concern.⁴¹

1.1c - Bilateralism

The term bilateralism like multilateralism has been used commonly in the area of economics referring to a certain type of arrangement between two states in the area of international payments and trade.⁴² Brabant for example notes that bilateralism is but one form of general exchange controls which is usually introduced when countries are facing severe payment problems, for which more subtle forms of trade intervention and restrictions (eg. tariffs, quotas, and the like) are no longer deemed adequate.⁴³

The meaning of bilateralism used in this thesis is broader than just economic arrangements. However, in this thesis too bilateralism is used to refer to the pursuance of foreign policy through connections or ties between two states on a country to country basis. These connections could be established to serve the mutual or individual interests of both parties concerned and could include relations

⁴⁰ Ibid., article II.

⁴¹ Ibid., article I.

⁴² For a discussion on the use of bilateralism in trade see, J.M.P. Van Brabant, *Bilateralism and Structural Bilateralism in Intra-CMEA Trade*, Rotterdam University Press, Rotterdam, 1973; and P.G. Elkan, *Bilateral Arrangements in International Payments and Trade*, N.Z. Institute of Economic Research, Wellington, 1962.

⁴³ Brabant, *Bilateralism*, op. cit., pp. 66-67.

based on alliances and agreements or those without such formal arrangements.

1.1d - Small Island States

The two states, Vanuatu and the Maldives, focussed in this thesis are not only small but also islands. As such, these states are classified here as small island states - one of the many categories used in classifying states. Other frequently used terms in classifying states such as the Maldives and Vanuatu include microstates, mini-states and small states.

It is virtually impossible to provide a definition of small island states that is free of controversy.⁴⁴ The fundamental reason for this dilemma lies in the relative nature of the concept of size or smallness. What one perceives as small could be considered large by another. Therefore, whenever smallness is used in categorising states it is important to specify the meaning of the term small. It is the aim of this section to define the concept of small island states used in this thesis.

Over the past few decades a number of scholars have attempted to define small states using a variety of criteria such as territorial size, population size, military capability, economic performance,

⁴⁴ The problems and controversies associated with defining smallness with respect to states are discussed in a number of articles and books, some of which include, E. Dommen 'What is a Microstate', and P. Hein, 'The Study of Microstates', in E. Dommen & P. Hein (eds.), *States, Microstates and Islands*, Croom Helm Ltd, Kent, 1985, pp. 1-15 & 16-29 respectively; P. Sutton, 'Political Aspects', in C. Clarke, & T. Payne (eds.), *Politics, Security and Development in Small States*, Allen and Unwin, London, 1987, pp. 6-7; G.A. Fauriol, *Foreign Policy Behaviour of Caribbean States: Guyana, Haiti, Jamaica*, University Press of America, Boston, 1984, pp. 47-54.

and combinations of some of these factors. For example, Fauriol defined small states as those that are limited in their economic capability, population and territorial size.⁴⁵ In a similar vein Maurice East characterised small states as those with "one or more of the following: (1) small land area, (2) small total population, (3) small total GNP (or other measure of total productive capacity), and (4) a low level of military capabilities".⁴⁶

Some scholars have attempted precise definitions of small states by arbitrarily delimiting or setting upper limits on certain quantifiable aspects of states such as population, land area, and GNP. Jalan for example, defined small states as those with populations of 4.7 million or less, arable land areas of 22,850 square kilometres or less, and GNPs of US\$ 2.9 billion or less.⁴⁷ Likewise, Charles Taylor characterised small states as those states with a land area of less than 142,822 square kilometres, a population of no more than 2,928,000 people and a GNP not exceeding US\$ 1,582 million.⁴⁸ These definitions show that any cut off point used in defining small states can only be arbitrary.

As far as this thesis is concerned, GNP or GDP are not very useful measures in the classification of small states. These indicators are calculated solely based on economic activity and do not reflect the vulnerability of the economies of small states to forces outside

⁴⁵ Fauriol, op. cit., p.48.

⁴⁶ M.A. East, 'Size and Foreign Policy Behaviour: A Test of Two Models', *World Politics*, vol. 25, no. 4, pp.557-576.

⁴⁷ B. Jalan, 'Classification of economies by size', in B. Jalan (ed.), *Problems and Policies in Small Economies*, Croom Helm, London, 1982, pp. 39-47.

⁴⁸ C. Taylor, 'Statistical Typology of Microstates and Territories: towards a definition of a micro-state', in J. Rapaport, E. Muteba, and J. Therattil (eds.), *Small States and Territories: Status and Problems*, A UNITAR Study, Arno Press, New York, 1971, pp. 183-202.

their own control.⁴⁹ As such, the employment of GNP or GDP in classifying states would project a distorted image of the economic development of small states and trivialise the vulnerability factor.

From the point of view of this thesis land area is also not an appropriate criterion for the classification of small states. It is true that small states have small land areas, but most such states are endowed with very large Exclusive Economic Zones (EEZs). Using land area as the criterion in the classification of small states would trivialise the political significance and economic importance of the EEZs of these states.

Military capability is also not a very useful criterion to employ in the classification of small states due to two main reasons. Firstly, it is very difficult to obtain accurate data on the military capability of states, as such information is often confidential. Secondly, the effectiveness of a set level of military capability will vary depending on the degree of threat. Factors such as the strength of the enemy, the level of force an enemy is ready to use, and the level of military assistance a country can expect from friendly military powers, determine the degree of threat.

In line with the growing international practice, this thesis will use population as the criterion in classifying small states. As mentioned before, the use of population size in the classification of smallness is not problem-free since any cut-off point between small and large states can only be arbitrary. However, this thesis considers population to be a more appropriate and useful criterion than any other. Some of the reasons for using population as the

⁴⁹ Economic vulnerability of small island states is discussed in more detail in Chapter II.

criterion in determining smallness include: a) necessary data on population is readily available, population growth rate is predictable, and population levels do not fluctuate as much as some other indicators like GNP or GDP; b) the Commonwealth Advisory Group has noted that countries with a population of 5 million or less are presently just short of a numerical majority in the international system, raising the need to distinguish within this broad category the interests of the smallest members⁵⁰; and c) countries with small populations generally have a number of common characteristics such as a very limited pool of human resources, a narrow natural resource and economic base, small domestic market and heavy reliance on the external markets.

As discussed previously, numerous population cut-off points have been employed by various scholars in defining small states. However, the population upper limit for classifying small states which has gained the widest currency in international relations is 1 million. This was also the criterion used by the Commonwealth Consultative Committee in 1985 to classify small states.⁵¹ Given the population growth since 1985 the Commonwealth Advisory Group in 1997 used a revised upper population limit of 1.5 million people, in its report, *A Future for Small States: Overcoming Vulnerability*.⁵² This thesis, while acknowledging that any cut-off point will be arbitrary, adopted the 1.5 million population upper limit established by the Commonwealth Advisory Group, as the criterion which determines smallness with respect to states.

⁵⁰ Commonwealth Advisory Group, *A Future For Small States*, op. cit., p. 8. Presently there are 89 countries with populations of 5 million or less.

⁵¹ Commonwealth Consultative Committee, *Vulnerability*, op. cit., p. 8.

⁵² Commonwealth Advisory Group, *A Future For Small States*, op. cit., pp. 8-9.

As discussed previously the two case studies used in this thesis are categorised not only as small states but also as small island states. These are not purely distinct categories. Rather small island states are a subgroup within the category of small states. As such small island states share all the features of small states but have an added dimension arising from their physical characteristics intrinsic to island nations. These characteristics, labelled by some scholars as "islandness", include those such as insularity, economic and environmental vulnerability, and the possession of large EEZs.⁵³ The characteristics of small island states will be discussed in more detail in the course of this thesis.

1.2 - Theory and Methodology

As mentioned before this thesis aims to assess whether there is any justification to claims in favour of either multilateralism, regionalism or bilateralism as the most useful or effective foreign policy strategy for small states. This assessment will be carried out based on the comparative method of foreign policy analysis and employing the analytical framework presented by Gregory A. Raymond for "facilitating the important but neglected task of foreign policy evaluation".⁵⁴

⁵³ A useful discussion on islandness is in, Sutton & Payne, 'Lilliput under Threat' op. cit., pp. 583-586; M.D.D. Newitt, 'Introduction', in H.M. Hintjens & M.D.D. Newitt (eds.), *The Political Economy of Small Tropical Islands: The Importance of Being Small*, University of Exeter Press, Exeter, 1992, pp. 1-17.

⁵⁴ G.A. Raymond, 'Evaluation: A Neglected Task for the Comparative Study of Foreign Policy', in C.H. Herman, C.W. Kegley and J.N. Rosenau (eds.), *New Directions in the Study of Foreign Policy*, Allen and Unwin, Winchester, 1987, pp. 96-110.

The discussion in this section will be carried out as follows: (1) discuss the reasons why the comparative method was employed and why some of the techniques for foreign policy analysis such as content analysis and events data research were not used in this thesis as the basis for research; (2) outline some of the main theoretical approaches to foreign policy analysis and indicate why they were not used more extensively in the thesis; (3) discuss the framework employed for analysis in this thesis.

Researchers in the area of social sciences have four main methods to choose from in their work. These methods include the experimental, statistical, case study, and the comparative methods. Lijphart argues that the first three of these methods and certain forms of the case study method aim at scientific explanation which consists of two basic elements: (1) establishment of general empirical relationships between two or more variables, while (2) all other variables are controlled.⁵⁵ For this purpose the experimental method is the simplest since it could use identical two groups and expose one to a stimulus while the other is controlled.⁵⁶ The results can then be compared and any difference can be attributed to the stimulus. Unfortunately in the area of political science "natural testing" or experimentation can only be used very rarely due to ethical considerations and practical reasons.⁵⁷ For these same

⁵⁵ A. Lijphart, 'Comparative Politics and the Comparative Method', *The American Political Science Association*, vol. LXV, no. 2, June 1971, pp. 682-693.

⁵⁶ *Ibid.*, p. 683; For discussions on the usefulness of experimentation in social sciences see, P.L. Wuebben, et. al., *The Experiment as a Social Occasion*, Glendessary Press, Inc., California, 1974, pp. 3-11; E. J. Meehan, *Explanation in Social Science: A System Paradigm*, The Dorsey Press, Illinois, 1968, pp. 111-115.

⁵⁷ Lijphart, 'Comparative Politics', op. cit., pp. 683-684; Meehan, *Explanation in Social Science*, op. cit., p. 108.

reasons the experimental method could not be utilised in this thesis.

Lijphart has described the statistical method as "the conceptual (mathematical) manipulation of empirically observed data - which cannot be manipulated situationally as in experimental design - in order to discover controlled relationships among variables".⁵⁸ The issue of control is handled in the statistical method through partial correlation. The effective execution of partial correlation requires statistics on a large number of cases.

Some of the techniques based on the statistical method employed in political science research include content analysis and analysis based on events data. Content analysis is commonly used for the collection of statistics from a variety of texts such diplomatic messages, official publications, political speeches or historical documents to name a few, to make valid inferences.⁵⁹ The statistics collected could include certain words, statements, and the amount of space allocated to certain issues in official publications, to mention a few. Analysts could use these statistics to determine relationships between various variables.

Events data research involves numeric coding of events for use in political science or foreign policy analysis. The meaning of events as used in the Comparative Research on the Events of

⁵⁸ Lijphart, 'Comparative Politics', op. cit., p. 684; A very useful discussion of the statistical method is in, P.F. Lazarsfeld, 'Interpretation of Statistical Relations as a Research Operation', in P.F. Lazarsfeld, and M. Rosenberg (eds.), *The Language of Social Research: A Reader in the Methodology of Social Research*, The Free Press, New York, 1955, pp. 115-125.

⁵⁹ R.P. Weber, *Basic Content Analysis*, 2nd edition, Sage Publications, London, 1990, p. 9. This book contains a detailed guide of the procedure of content analysis.

Nations (CREON) Project, for example, is "a minimally aggregated action resulting from a decision by the political authorities of a state who have the power to commit the resources of the national government".⁶⁰ In terms of actor, action and target, the CREON definition stipulates that each event must have: (a) one actor, which is an individual political executive of a nation state or a designated representative; (b) an action, which is purposeful verbal or non-verbal behaviour initiated by the actor; (c) one or more direct targets or immediate recipients of the action; and (d) one or more indirect objects, which is the entity or entities the actor attempts to influence by his action. Large amounts of such events are coded in events data research for use in cross-national analysis.

The content analysis and events data research techniques noted above have proved useful for research in the area of foreign policy analysis. However, this thesis did not attempt to employ them due to the following reasons. In content analysis or events data research like in other statistical techniques, extensive and reliable primary sources of information are necessary for generating data. In both the countries studied in this research, such information was scarce. Government files were inaccessible for research in both countries. The coverage of issues related to foreign relations is limited in Government news publications such as the *Information News Bulletin* in the Maldives. The *Vanuatu Weekly: New Hebdomaire*, which contains

⁶⁰ The CREON Project is an ambitious project organised by the Ohio State University, to collect events data to enable quantitative cross-national analysis in foreign policy. The project is discussed in considerable detail in, C.F. Herman, et. al., *CREON: A Foreign Events Data Set*, Sage Publication, London, 1973. A useful discussion of events data research method is also in P.M. Burgess, and R.W. Lawton, 'Introduction', in P.M. Burgess, and R.W. Lawton, *Indicators of International Behaviour: An Assessment of Events Data Research*, Sage Publication, Beverley Hills, 1972, pp. 1-17.

government news, started publication only in 1985 and does not cover some of the very interesting developments in the foreign policy history of the country in the early 1980s. Moreover, reporting in these publications is not what can be considered objective. The coverage of foreign policy issues in other local newspapers is limited and lacks substance. For instance while an overseas visit of a government representative is reported the purpose of the visit is not covered in any detail. A substantial number of statements made by the Maldives at the United Nations were available from the Permanent Mission of the Maldives to the United Nations, but such material was not available in the case of Vanuatu. Whatever statements were available in the case of Vanuatu were those published in newspapers and books. Thus it was not practical to employ the statistical method for research in this thesis. The thesis therefore opted to use the comparative method.

Lipjhart argues that the crucial difference between the comparative and the statistical method is that the number of cases dealt by the former is too small to permit systematic control by means of partial correlation.⁶¹ In fact some statistical techniques such as content analysis can generate very useful data for use in comparative studies. Since the comparative method is weaker in terms of analytical rigour than the statistical method, it should be resorted to only when the number of cases available for analysis is too small so that further cross-tabulation to establish systemic control is not feasible.⁶² In the case of this thesis only two countries are

⁶¹ Lipjhart, 'Comparative Politics', op. cit., p. 684.

⁶² Ibid. ; A useful discussion of the pros and the cons of the comparative and the statistical methods is in, A. Lipjhart, 'The Comparable-Cases Strategy in Comparative Research', *Comparative Political Studies*, vol. 8, no. 2, July 1975, pp. 158-177.

used for analysis given the time and resources available, and so the comparative method was the logical choice.

The major weaknesses of the comparative method are the great number of variables and the limited number of cases to handle these variables.⁶³ Despite these weaknesses Lijphart argues that often, given the scarcity of time, energy and financial resources, the intensive comparative analysis of a few cases may be more promising than a superficial statistical analysis of many cases.⁶⁴

Moreover Lijphart has suggested four ways in which these weaknesses of the comparative method could be minimised.⁶⁵ However it should be acknowledged here that even if the weaknesses are minimised the comparative method is still not on a par with the statistical method in producing generalisations which is the main aim of scientific methods. Given the limited number of cases used in the comparative method it can only produce partial generalisations, which are useful first steps that can later be followed up with replications in different settings.⁶⁶

The first way to minimise the weaknesses of the comparative method suggested by Lijphart is to increase the number of cases as much as possible so as to increase the chances of instituting control. This thesis attempted such an expansion at the early stages of research by including Kiribati and Samoa in the cases studied, but practical and financial constraints in obtaining adequate information on all of these states forced the number of cases to be reduced to just two.

⁶³ Lijphart, 'Comparative Politics', op. cit., p. 685.

⁶⁴ Ibid., p. 687.

⁶⁵ Ibid.

⁶⁶ Lijphart, 'The Comparable-Cases', op. cit., p. 172.

The second way to minimise the weaknesses of the comparative method is to reduce the "property space" of the analysis. The technique to do this is to join two or more variables that express essentially similar underlying characteristics into single variables and thereby reduce the number of cells in the matrix representing the relationship and relatively increase the number of cases. This was done to some extent in this thesis for example by classifying a variety of institutions into multilateral and regional institutions.

The third technique suggested by Lipjhart is to focus the comparative analysis on "comparable" cases. In this sense comparable cases mean those that are similar in a large number of important characteristics or variables which one wants to treat as constants. The Maldives and Vanuatu which were chosen for this study clearly fitted into the above category of comparable cases. As discussed in detail in section 1.4 and chapters II, III and IV, the Maldives and Vanuatu shared a number of similarities. Both these countries were small island states, had small populations, relatively small land areas, very large EEZs, a similar level of economic development, espoused non-alignment, denounced colonialism, and had a very strong interest in protecting the global environment. Consequently they both shared several similar foreign policy goals and objectives such as environment protection. Both of these countries also employed with almost equal emphasis the three strategies of multilateralism, regionalism and bilateralism in the pursuit of their foreign policy goals and objectives.

The fourth and final technique for minimising the weaknesses of the comparative method is to focus the analysis on key variables. This approach reduces the danger of being overwhelmed by a large number

of variables. This technique is utilised in this thesis. Since the cases discussed in this thesis are relatively unknown states every attempt will however be made to present a holistic picture of the issues under study.

The case study method has its strength in providing a holistic picture of the cases under consideration. Harry Eckstein described the case study method as being similar to that of clinical studies in medicine and psychology.⁶⁷ Like clinical studies the case study method is open ended and flexible and its findings are generally characterised as narrative and descriptive, providing case histories and detailed portraiture. By focusing on a single case, the case study method is able to intensively examine that case even if the resources at the disposal of the investigator are relatively limited.

Several types of case studies have been identified by scholars including atheoretical or "configurative-idiographic case studies"; interpretive or "disciplined-configurative case studies"; "hypothesis-generating case studies" or "heuristic case studies"; deviant or "crucial case studies"; "theory-confirming case studies"; and "theory-infirmiting case studies".⁶⁸ Eckstein refers to the latter two case studies as "plausibility probes".⁶⁹ These are ideal types and certain case studies might fit into more than one of these categories or one part of them could fall into one category and the other part into another. Of these categories the heuristic,

⁶⁷ H. Eckstein, 'Case Study and Theory in Political Science', in F.L. Greenstein, and N.W. Polsby (eds.), *Strategies of Inquiry, Handbook of Political Science*, vol. 7, Addison-Wesley Publishing Company, Massachusetts, 1975, pp. 79-138.

⁶⁸ Lijphart, 'Comparative Politics', op. cit., pp. 691-693; Eckstein, 'Case Study', op. cit., pp. 96-138.

⁶⁹ Eckstein, 'Case Study', op. cit., p. 108.

plausibility probes and deviant case studies are considered the most useful for theory development.

Heuristic case studies start out with a vague notion of possible hypotheses and attempt to formulate definite hypotheses to be tested subsequently among a larger number of cases.⁷⁰ Plausibility probes attempt to analyse single cases within the framework of established generalisations to test a proposition, which may turn out to be confirmed, or infirmed. The deviant case study analyses cases known to deviate from established generalisations and thereby uncover the additional variables that were not considered previously or refine the definitions of some or all of the variables.

Despite the usefulness of some case studies for theory development they were not adequate for use as the research method of this thesis. This thesis aims at producing at least partial generalisations in answering the question whether it is justified to argue in favour of either multilateralism, regionalism or bilateralism as the most effective foreign policy strategy for small states. Producing such generalisations necessitates a comparative element in research and single case studies cannot handle it. Thus this thesis employed the comparative method for research and analysis as mentioned previously. However, since relatively little is known to the international public about Vanuatu and the Maldives this thesis attempts to integrate as much as possible the main strength of the case study method, which is presenting a detailed description of the cases under consideration, into the comparison. To facilitate this task the narrative style of writing is employed, as is the case in most case studies.

⁷⁰ Lipjhart, 'Comparative Politics', op. cit., p. 692.

To begin the process of comparative analysis a suitable theoretical framework is necessary. Scholars have suggested various approaches for the analysis of foreign policy. While all of these approaches have their strengths in various respects the researcher has to be selective in deciding which one is the most suitable for his research. The selection of any one approach does not in anyway mean that the others are not useful.

Among the many approaches to foreign policy analysis is 'National Role Conceptions in the Study of Foreign Policy' proposed by Holsti.⁷¹ In a book published in 1972 Holsti argued that national roles are foreign policy outputs associated only with states that are involved in system-wide and regional affairs.⁷² He went on to note that microstates such as the Maldives although proclaiming or displaying some interest in other states, do not see themselves as playing any distinct role in the world.⁷³

Holsti defined national role conceptions as the foreign policy makers' "definitions of the general kinds of decisions, commitments, rules and actions suitable to their state, and of the functions their state should perform in a variety of geographic and regional settings".⁷⁴ Based on a content analysis of some 71 states Holsti identified at least 16 types of national roles that are components of the foreign policy of states, including those such as regional leader, regional protector, liberation supporter, defender of faith,

⁷¹ K.J. Holsti, 'National Role Conceptions in the Study of Foreign Policy', in S.G. Walker (ed.) *Role Theory and Foreign Policy Analysis*, Duke University Press, Durham, 1987, pp. 5-43.

⁷² --- *International Politics: A Framework for Analysis*, 2nd edition, Prentice-Hall, New Jersey, 1972, p. 122.

⁷³ Ibid.

⁷⁴ Ibid.

developer, and bridge, to mention a few. Such role conceptions are believed to be fashioned by a variety of domestic factors including location, resources of a state, capabilities, socio-economic needs, national values, ideology, traditional roles, public opinion, and political needs.

The National Role Conceptions theory argues that the foreign policy decisions and actions of a state are products of its role conceptions. These role conceptions are influenced or restrained by role prescriptions from the external environment emanating from factors such as the international systemic structure, system-wide values, general legal principles, treaty commitments, informal understandings, and world opinion. However, generally the sources of external role prescriptions and the available sanctions to enforce them are ill-defined, flexible or weak compared to the sources that fashion role conceptions. Thus, often at times when there is incompatibility between role prescriptions and role conceptions the former normally gives way to the latter.

This thesis does not intend to question the utility of the above theory as a theoretical contribution to the study of foreign policy in general. However the theory was not suitable for the purposes of this study due to several reasons. First of all national roles are associated only with states that see themselves as playing a distinct role in the world, which places in doubt its applicability to a number of states especially the very small ones. This thesis which aims to make at least partial generalisations about the foreign policy of small states cannot utilise a theory which might not apply to a number of them.

Secondly, the theory's claim that national role conceptions are more influential than the role prescriptions emanating from the external environment is not necessarily true in the case of small island states. While small states might find some room to manoeuvre in the international environment in certain instances, their foreign policies are largely influenced by external factors. The tendency in the behaviour of small states to avoid alienating the more powerful players within the system, as identified by East, for example demonstrates the strong influence of the external environment on the foreign policy of small states.⁷⁵

Thirdly, the theory's focus on national role conceptions obscures the important role played by individuals in the foreign policy of small states. For instance an individual such as a Permanent Representative of a small state to the United Nations could assume a very active role for the state within the international community, but once he/she is removed from the scene the state will revert to its passive state. This demonstrates that there is more to foreign policy decisions and actions than national role conceptions and that willingness to take advantage of opportunities that arise needs to be assigned importance in considering the foreign policy of small states.

Lentner provides a very useful "Scheme of Analysis" of foreign policy.⁷⁶ Lentner's scheme is based on the argument that a country's internal characteristics and the external environment interact to shape foreign policy. Both domestic and external influences are always believed to be active, for no actor exists apart from its

⁷⁵ East, 'Size and Foreign Policy Behaviour', op. cit.

⁷⁶ Lentner's approach is discussed in, H.H. Lentner, *Foreign Policy Analysis: A Comparative and Conceptual Approach*, Charles E. Merrill Publishing Company, Ohio, 1974.

environment, yet every actor copes with the environment in ways that are shaped by its internal characteristics.⁷⁷ Lentner does not provide a theory as to how the influences interact or which set of influences is more dominant and under what circumstances. This scheme of analysis requires the consideration of a large variety of variables, both internal and external, in the analysis.

As far as small states are concerned the interaction between internal and external factors in shaping foreign policy is well established as argued in Lentner's scheme.⁷⁸ The assertion that both domestic and external influences are always active and that every actor copes with the environment in ways that are shaped by its internal characteristics is also acceptable. As demonstrated later on in this thesis the foreign policy of one of the small states under study here will assume radical postures from time to time but when external opposition becomes too strong it will adjust its policies in coping with the environment. Unfortunately Lentner does not provide a suitable framework or organising device for analysis.

Another environmental approach that offers a very well structured framework for analysing foreign policy is the "Environmental Model" provided by Papadakis and Starr.⁷⁹ The central thesis of the model is that environmental factors influence foreign policy by being perceived and reacted to by foreign policy decision makers.⁸⁰ Under the model the state is considered an entity in an environment which is divided into different levels such as individual, role,

⁷⁷ Ibid., p. 11.

⁷⁸ See for example, East, 'Size and Foreign Policy Behaviour', op. cit.

⁷⁹ M. Papadakis, and H., Starr, 'Opportunity, Willingness, and Small States: The Relationship Between Environment and Foreign Policy', in Herman, Kegley and Rosenau (eds.), *New Directions*, op. cit., pp. 409-433.

⁸⁰ Ibid., p. 414.

governmental, societal, international relations and international system. The context within which states act is defined by the environment, but how states actually act is dependent upon factors such as: the sets of opportunities that the characteristics of the sub-environments provide the states; how the states perceive their environment; their willingness to take a particular course of action and so on.⁸¹ As such, states can overcome some environmental constraints by exploiting other opportunities within their environment. In other words there is no deterministic relationship between the environment, the foreign policy process and the outcome of the process since opportunity and willingness operate as mediating variables between the environment and foreign policy.

The environmental model presented by Papadakis and Starr is a very useful contribution to the analysis of foreign policy especially that of small states. It provides a framework through which one could explain why a number of small states have managed to maintain an independent foreign policy in the international system dominated by much larger powers. The model is also very well organised to enable systematic analysis of the foreign policy decision making process or foreign policy process, the actual decisions or foreign policy as output, the implementation of decisions or foreign policy outcomes, and the result or foreign policy effects. However it does not clearly set out a guideline to assess the degree to which the effects succeed in realising the foreign policy objectives of the country. This assessment is crucial to answer the question being considered in this thesis, which is whether it is justified to argue in favour of multilateralism, regionalism or bilateralism as a more effective foreign policy strategy for small states.

⁸¹ Ibid., p. 416.

Raymond provides a more suitable framework for the purposes of this thesis.⁸² Raymond's framework rests on the assumptions that: "(1) foreign policy behaviour entails a series of purposeful acts aimed at achieving desired goals; (2) it is possible to devise performance indicators that measure the extent to which a given goal has been achieved; and (3) the comparative method can be used to acquire reproducible evidence on whether the acts under investigation did, indeed, produce observable changes in the performance indicators".⁸³ Evaluation under Raymond's framework requires foreign policy to be broken down into its three elementary components namely, the broad or overall goals or long-term objectives; specific or short-term objectives referred to in this thesis as objectives; and actions. These components of foreign policy are briefly discussed below.

Goals are the end result that policy makers have in mind when they devise policies. However, goals are not necessarily prudent or logical. Goal identification is a methodological challenge, which has to be addressed before evaluation can begin.

Goal identification entails a variety of difficulties, controversies and uncertainties. Raymond has noted the following difficulties associated with goal identification - 1) goals are often buried under an avalanche of rhetoric that national leaders use to justify their policies; 2) the use of buzzwords and euphemisms like "new world order" obscures the correct meaning of the enunciated goals; 3) goals are purposefully kept vague so as to appeal to a broader

⁸² Raymond, 'Evaluation', op. cit.

⁸³ Raymond, 'Evaluation', op. cit., p. 98.

political constituency; and 4) it is also difficult to identify goals because they are not static.⁸⁴

Irrespective of these difficulties goals need to be identified if one is to evaluate policy. Charles F. Hermann in his article 'Foreign Policy Behaviour: That Which is to be Explained', suggested three strategies that could be used in the identification of goals. These strategies included: 1) taking at face value the professed goals and purposes offered by government spokesmen; 2) infer goals from observed behaviour; and 3) infer goals from the demands imposed on the government by its environment.⁸⁵ These strategies are not free of the controversies and uncertainties associated with goal identification discussed previously. Nevertheless, in the absence of non-controversial alternatives the above strategies provide useful frameworks for the identification of foreign policy goals.

Based on the strategies suggested by Hermann, the following three foreign policy goals common to both Vanuatu and the Maldives were identified for use in this thesis - preserving and enhancing security and sovereignty; environment protection; and economic development. These are not the only foreign policy goals of Vanuatu and the Maldives but they are among the most prominent when Hermann's strategies are used. One or more of these goals have been enunciated in almost every statement made at international forums by leaders, diplomats and other spokespersons of both Vanuatu and the Maldives. As such these goals have been among the most distinct when the professed goals and purposes offered by government spokespersons

⁸⁴ Ibid., pp. 99-100.

⁸⁵ Charles F. Hermann, 'Foreign Policy Behavior: That Which is to be Explained', in M.A. East, S.A. Salmore and C.F. Hermann (eds.), *Why Nations Act: Theoretical Perspectives for Comparative Foreign Policy Studies*, Sage Publications, Beverly Hills, 1978, pp. 25-48.

are taken at face value. Numerous examples of such statements and speeches will be highlighted in the course of this thesis.

The same conclusion was observed when an attempt was made to infer goals from the observed behaviour of Vanuatu and the Maldives. The term 'behaviour' here refers to behaviour in the area of foreign policy and not domestic policy. This distinction is necessary because the domestic record of countries might not necessarily reflect their foreign policy behaviour. For example, a country with a bad record in the protection of the domestic environment might still be actively involved at the international level in promoting issues of environmental protection. The behaviour of Vanuatu and the Maldives from which the above mentioned goals were inferred is not elaborated here since Chapters II, III and IV discuss them in detail.

The same three goals were clearly identifiable from the demands imposed on the governments of Vanuatu and the Maldives by their environment. In inferring goals from the environment, this thesis referred to a range of scholarly literature and statements by government spokespersons on the vulnerability of small states and small island states.⁸⁶ This material demonstrated that small island

⁸⁶ The literature referred included those such as: F. Doumenge, 'The viability of small intertropical islands', in E. Dommen and P. Hein (eds.), *States*, op. cit., pp. 70-118; UNCTAD Secretariat, 'Examination of the particular needs and problems of island developing countries', in Dommen & Hein (eds.), *States*, op. cit., pp. 119-151; Clarke & Payne (eds.), *Politics, Security and Development*, op. cit.; Fauriol, *Foreign Policy Behaviour*, op. cit.; East, 'Size and Foreign Policy Behaviour', op. cit.; B. Jalan (ed.), *Problems and Policies in Small Economies*, Croom Helm, London, 1982; P. Streeten, 'The Special Problems of Small Countries', *World Development*, vol. 21, no. 2, 1993, pp. 197-202; S. Harden (ed.), *Small is Dangerous: Micro States in a Macro World*, Frances Pinter (Publishers), London, 1985; Sutton & Payne, 'Lilliput under threat', op. cit.; Benedict (ed.), *Problems*, op. cit.; Commonwealth Consultative Group, *Vulnerability*, op. cit.; Commonwealth Advisory Group, *A Future for Small States*, op. cit.; and numerous other documents and statements which will be cited in the course of this thesis.

states like Vanuatu and the Maldives face a range of serious politico-economic and ecological threats that inevitably place preserving and enhancing security and sovereignty, environmental protection, and economic development, among the foreign policy goals of these countries.

The next methodological challenge that needed to be tackled was to link each goal to one or more measurable objectives. The latter are the outcomes desired of policies in contributing towards foreign policy goals. Each goal could in fact be linked to one or more objectives. These objectives are the performance indicators that can be used to determine the extent to which actions contributed towards achieving the goals. In the area of environment protection for example, if an objective was to reduce ozone-depleting substances by 90 percent in ten years, this figure could be used as a performance indicator. The success or failure of policy could then be determined based on the extent to which the actions employed succeeded in achieving the performance indicator. However, it should be noted that not all objectives are numerical like the one mentioned above. Similarly the measurements used to determine the extent to which actions contributed towards realising certain objectives cannot be expressed numerically.

The process of goal identification discussed above revealed that Vanuatu and the Maldives had several foreign policy objectives linked to each goal. This thesis selected some of the most prominent of these objectives for evaluation. In this process, every effort was made to select objectives important for both Vanuatu and the Maldives. In certain cases objectives which were important to only one of these states had to be included because of their overwhelming prominence in the foreign policy of that country. For instance,

supporting decolonisation was so prominent in the foreign policy of Vanuatu that it had to be included in the evaluation although the Maldives did not share Vanuatu's commitment and passion with respect to the objective. The objectives so selected are in Table 1 below. It should also be noted here that there is some inconsistency between the domestic policy and actions and certain foreign policy objectives identified in this thesis. This inconsistency is especially acute with respect to Vanuatu's foreign policy objective of combating transnational crime, as will be discussed in more detail in chapter II. If these objectives are not valid it will be clearly evident from the evaluation. Even if one or two objectives are incorrect it will not make too much of a difference on the findings of this thesis.

Before evaluation can begin each identified objective has to be tied to one or more actions or strategies, which in this case include multilateralism, regionalism and bilateralism, the sum of which constitutes a program. The aim of the evaluator is to determine the effectiveness of the programs based on implementation, bridging, response and extraneous variables. These variables are briefly explained below.

Implementation variables determine the degree of congruence between intended and observed actions.⁸⁷ According to Raymond, there are two types of implementation variables. The first type relates to the tractability of the problem being addressed, and include those such as the degree of change required and technical complexity of the problem. The second type includes variables related to the political context of the program such as the amount of resources allocated,

⁸⁷ Hermann, 'Foreign Policy Behavior', op. cit., p. 3.

the depth of administrative commitment, and the amount of integration between implementing agencies.

Bridging variables encompass the "causal process" which policy action is intended to set in motion in order to reach a desired outcome.⁸⁸ Take for example the statement of 1987 by the Maldives' President Maumoon Abdul Gayoom, to the United Nations General Assembly, in which he attempted to draw the attention of member countries to the vulnerability of small island states in the face of the deteriorating global environment, and pleaded for international co-operation in tackling the problem.⁸⁹ This statement was intended to set in motion a process of international co-operation leading to the halting or reversal of global environmental degradation and the threat it poses to small island states. This process could include technical meetings on environmental problems, research into the causes of environmental degradation, new conventions to protect the environment or strengthen old ones, provision of aid to small states and the like. In other words, Gayoom's statement was intended to set in motion a process that would bridge the gap between his action of making the statement and the desired outcome, which was halting if not reversing global environmental degradation.

⁸⁸ Ibid.

⁸⁹ M.A. Gayoom, statement to the 42nd Session of the United Nations General Assembly, 1987, New York, a copy of the document was made available to the author by the Permanent Mission of the Maldives to the United Nations, New York.

Table 1
Goals and Objectives of Vanuatu and the Maldives

Goals	Objectives - Vanuatu	Objectives - Maldives
Preserving and enhancing security and sovereignty	<ul style="list-style-type: none"> -Assertion of sovereignty -Supporting decolonisation. -Realising a nuclear free Pacific. -Combating transnational crime. 	<ul style="list-style-type: none"> -Assertion of sovereignty. -Realising a SANWFZ and an IOZOP. -Combating transnational crime.
Environment protection	<ul style="list-style-type: none"> -Enhancing international awareness of the threat of environmental degradation to small island states and placing climate change on the international agenda. - Influencing climate change negotiations. - Obtaining assistance for environment protection. 	<ul style="list-style-type: none"> -Enhancing international awareness of the threat of environmental degradation to small island states and placing climate change on the international agenda. - Influencing climate change negotiations. - Obtaining assistance for environment protection.
Economic development	<ul style="list-style-type: none"> -Minimising the effect of vulnerabilities and constraints to economic development and promoting trade. - Maximising foreign aid. - Protection of resources. 	<ul style="list-style-type: none"> - Minimising the effect of vulnerabilities and constraints to economic development and promoting trade. - Maximising foreign aid. - Protection of resources.

The other two clusters of variables in Raymond's framework include response variables and extraneous variables. Response variables include the various intended results and possible side effects of actions.⁹⁰ Extraneous variables include contextual factors such as the characteristics of the target, the behaviour of other actors and the like, which affect foreign policy action.

In successful programs the implementation variables will affect the bridging variables leading to the realisation of the intended objective. The evaluator therefore needs to establish whether the implementation variables of the program under study affected the

⁹⁰ Raymond, 'Evaluation', op. cit., p. 106.

bridging variables and whether the latter produced the desired outcome. Falsification of the hypothesis would imply the failure of the theory behind the program. If the evaluator observes evidence that the bridging variables did indeed produce some results, then the program's effectiveness in terms of the extent to which the objective was realised needs to be assessed.

There is more than one way to assess the effectiveness of programs. Experimental designs and quasi-experimental designs have been employed in the evaluation of organisational effectiveness.⁹¹ Unfortunately foreign policy is rarely amenable to experimentation. Questionnaires have also been used in measuring effectiveness in organisations such as hospitals.⁹² Such questionnaires need to be completed by those who are knowledgeable about the issue in question. Unfortunately people who know the intricate details of the foreign policy process, output, outcome, and effects, of small island states such as the Maldives and Vanuatu are so few that the questionnaire method is not practical. As Raymond has noted the comparative method offers evaluators an alternative, although not as effective as the experimental method, to estimate the relative effectiveness of a policy.⁹³

Raymond argues that in order to use the comparative method the programs under investigation need to possess substantially similar aims. In other words the goals of the programs need to be comparable or of the same class. However these programs should have differentiated strategies for attaining their goals. In the case of

⁹¹ Various methods of evaluating program effectiveness is discussed in, C.H. Weiss, *Evaluation Research : Methods of Assessing Program Effectiveness*, Prentice-Hall, Inc., New Jersey, 1972.

⁹² J.L. Price, 'The Study of Organisational Effectiveness', *Sociological Quarterly*, vol.13, no. 1, Winter 1972, pp. 3-15.

⁹³ Raymond, 'Evaluation', op. cit., p. 101.

this thesis there are three sets of programs with the same goal, with respect to each objective in each issue area, for each country. For example in the area of preserving and enhancing security and sovereignty the Maldives has three objectives namely, the assertion of sovereignty; realising a SANWFZ and an IOZOP; and combating transnational crime. Each of these objectives belongs to three programs with preserving and enhancing security and sovereignty as the goal and either multilateralism, regionalism or bilateralism as the strategy for attaining the goal. A comparative analysis of the three programs with respect to each objective will reveal the relative effectiveness of the strategies employed in realising the objectives and thereby contributing towards the goal.

This thesis aims to use the comparative method to first assess each program at the intra-country level to determine whether multilateralism, regionalism or bilateralism is relatively more effective in contributing towards realising the foreign policy goals of the two countries in the different issue areas. The results of this exercise can be used to determine whether any one of the strategies is more effective overall in the foreign policy of each of the countries. The thesis will then undertake an inter-country comparison of these results to determine whether it is possible to generalise in favour of any one strategy as more effective overall in realising the foreign policy goals of both the countries under study.

1.3 - The Structure of the Thesis and Chapters

This thesis is divided into five chapters: Introduction; Preserving and Enhancing Security and Sovereignty; Economic Development; Environment Protection; and Conclusions. The structures of these chapters are briefly outlined below.

1.3a - Chapter I : Introduction

The introductory chapter of this thesis is divided into four main sections. The first section is a general introduction, which outlines the reasons why there is a need for a study that evaluates the foreign policy orientation of small states. The section discusses some of the differing views among scholars over the most effective foreign policy orientation for small islands states. The section then goes on to point out that this thesis aims to contribute to the study of small island states by attempting to determine whether it is justified to argue in favour of either multilateralism, regionalism or bilateralism as the most effective foreign policy strategy for these states. The section also provides definitions of the essential concepts used in the thesis.

Section 1.2 of the introductory chapter focuses on the methodology used in the thesis. Section 1.3 outlines the structure of the thesis. Section 1.4 consists of the background to the two case studies, Vanuatu and the Maldives, used in this thesis.

1.3b - Chapter II: Preserving and Enhancing the Security and Sovereignty

This chapter is divided into six sections. Section 2.1 is an introduction of the chapter. Section 2.2 discusses the four foreign policy objectives of Vanuatu - assertion of sovereignty; supporting decolonisation; realising a nuclear free South Pacific; and combating transnational crime. This is followed by section 2.3 that evaluates the foreign policy actions of Vanuatu at the multilateral, regional and bilateral levels in the effort to realise the country's foreign policy objectives.

Section 2.4, of the thesis will discuss the three foreign policy objectives of the Maldives selected for use in this chapter - assertion of sovereignty; supporting the establishment of a SANWFZ and an IOZOP; and combating transnational crime. This will be followed by a section that evaluates the foreign policy actions of the Maldives at the multilateral, regional and bilateral levels in contributing towards the foreign policy objectives stated above. Section 2.6 will conclude the chapter with an intra-country comparison of the effectiveness of multilateralism, regionalism and bilateralism.

1.3c - Chapter III: Economic Development

The chapter on economic development is divided into four main sections. The first section is the introduction. The second section or section 3.2 discusses the three foreign policy objectives selected for evaluation in this thesis - minimising vulnerability and the promotion of trade; maximising foreign aid; and the

protection of resources. Section 3.3 will assess the foreign policy actions of Vanuatu and the Maldives at the multilateral, regional and bilateral levels in realising the foreign policy objectives of these two countries. In this section, the actions of Vanuatu and the Maldives at the multilateral level are discussed together since they largely overlap. Finally, the chapter will conclude with an intra-country comparison of the effectiveness of multilateralism, regionalism and bilateralism.

1.3d - Chapter IV: Environment Protection

The chapter on environment protection is also divided into four sections. The first section or section 4.1 is the introduction. Section 4.2 is based on three of the most significant foreign policy objectives shared by Vanuatu and the Maldives in the past decade - drawing international attention to the plight of small island states in the face of the deteriorating global environment and placing the issue of climate change on the international agenda; influencing negotiations on the convention on climate change; and finding ways and means of alleviating problems related to environmental degradation at the regional and local levels. Since these objectives are so closely connected, the section does not attempt to discuss them individually. Rather the section undertakes a brief discussion of the environmental threats facing the two countries and indicates why the objectives noted above gained significance in their foreign policies.

Section 4.3 attempts to assess the foreign policy actions of Vanuatu and the Maldives. As in the last chapter, this section will discuss

jointly the foreign policy actions of the two countries at the multilateral level since they overlap. However, their foreign policy actions at the regional and bilateral levels are discussed in separate sub-sections, 4.3b - 4.3e. Section 4.4 will attempt to conclude the chapter with an intra country comparison of the effectiveness of multilateralism, regionalism and bilateralism with respect to Vanuatu and the Maldives.

1.3e - Chapter V: Conclusions

In drawing the conclusions of the thesis the chapter will carryout an inter-country comparison of the effectiveness of multilateralism, regionalism and bilateralism with respect to Vanuatu and the Maldives. Based on the evaluation in the thesis the chapter will attempt to determine whether it is justified to argue in favour of multilateralism, regionalism or bilateralism as the most effective foreign policy strategy for small island states like the Maldives and Vanuatu.

1.4 - Background to Vanuatu and the Maldives

The case studies used in this thesis, as mentioned before, are Vanuatu and the Maldives. These two small island states are relatively unknown. As such, it is necessary to provide some background information on these countries before embarking on the evaluation of their foreign policies. It is the aim of this section to provide background information on the case studies.

1.4a - Vanuatu

Geography, Population and Ethnicity

The archipelagic island nation of the Republic of Vanuatu, known as New Hebrides until 1980, lies in the Pacific Ocean some 2413 kilometres east of Australia.⁹⁴ The country consists of 83 or so small islands most of which are rugged, mountainous, and of volcanic origin. The rest of the islands are raised reef islands including a few coral islands. The length of the country is 1367 kilometres from the north to the south. Vanuatu's land surface is approximately 12,190 square kilometres, while average small island states have land areas below 10,000 square kilometres.⁹⁵ The EEZ of Vanuatu is around 848,000 square kilometres.⁹⁶

Vanuatu falls neatly into the category of small island states used in this thesis. According to the 1989 census the population of Vanuatu was 142,944 people.⁹⁷ Vanuatu's Statistics Office estimates the country's population to be around 182,000 in June 1998.⁹⁸ Since 1981, the average population growth rate of Vanuatu has been 2.7 per cent.⁹⁹

⁹⁴ Calculated from statistics in, E. Bani & B. Clarke, *Country Report for UNCED: Vanuatu*, South Pacific Regional Environment Programme (SPREP), Apia, 1992, p. 1.

⁹⁵ UNCTAD Panel of Experts, *Developing Island Countries*, United Nations, New York, 1974, p. 3.

⁹⁶ Statistics Office, *Vanuatu Facts and Figures*, 1998 edition, Statistics Office, Port Vila, n.d., n.p.

⁹⁷ Statistics Office, *Statistical Indicators*, 3rd quarter, July-September 1998, Statistics Office, Port Vila, 1998, p. 2.

⁹⁸ Ibid.

⁹⁹ Economist Intelligence Unit (EIU), *Country Profile, Pacific Islands: Fiji, Solomon Islands, Western Samoa, Vanuatu, Tonga*, 1996-97, EIU, London, 1996, p. 80.

About 70 out of Vanuatu's 83 islands are inhabited, with approximately 70 per cent of inhabitants living on the four largest islands - Efate, Espiritu Santo, Malekula and Tafea. The overall population density of the country is 15 people per square kilometre. Approximately 36,000 people are concentrated in Vanuatu's capital, Port Vila, located on Efate.¹⁰⁰ The town of Luganville located on the island of Espiritu Santo has a population of around 11,100 people, making it the second largest urban centre in Vanuatu.¹⁰¹

Approximately 98 percent of Vanuatu's population consist of indigenous inhabitants called ni-Vanuatu who are ethnically Melanesian.¹⁰² The remaining 2 percent of the population is made up of around 3500 European and mixed race people of European Melanesian or European Polynesian descent, together with some Vietnamese, Chinese, and other Pacific islanders.¹⁰³ Vanuatu is also host to around 2500-3000 European expatriates most of whom reside in Port Vila.

The ethnically homogenous ni-Vanuatu community was culturally diverse when French and British traders and missionaries started arriving in Vanuatu in the early nineteenth century. Some 110 languages are spoken in Vanuatu even at the present day.¹⁰⁴ Contact with Europeans led to the emergence within the ni-Vanuatu community of a pidgin tongue known as Bislama, which is the lingua franca in Vanuatu today. English and French are used in government, business and education.¹⁰⁵

¹⁰⁰ Statistics Office, *Statistical*, op. cit., p. 2.

¹⁰¹ Ibid.

¹⁰² Ibid.

¹⁰³ Ibid.; EIU, *Country Profile*, 1996, op. cit., p. 80.

¹⁰⁴ European Commission, *The South Pacific and the European Union*, Office for Official Publications of the European Communities, Luxembourg, 1996, p. 23.

¹⁰⁵ EIU, *Country Profile*, 1996, op. cit., p. 80.

Arrival of Europeans and Colonisation

The experiences of the ni-Vanuatu with the early European traders and settlers were not very pleasant. Between 1863 and 1904 for example, European traders abducted around 50,000 ni-Vanuatu by force and deception to work in sugarcane fields of Australia, New Caledonia and Fiji.¹⁰⁶ Such abduction came to be known as "blackbirding".

Moreover, in the mid-nineteenth century European settlers and land speculators began a process of land alienation from the ni-Vanuatu.¹⁰⁷ Large tracts of land were purchased from ni-Vanuatu who had little or no idea of the concept of private land ownership. By 1905 a company called Société Française des Nouvelles-Hébrides for example, claimed over fifty-five per cent of the land area of Vanuatu.¹⁰⁸ Van Trease has noted that decades later ni-Vanuatu argued that much of the land alienated in the nineteenth century was not sold by the rightful owners and that the sales must have been made only for temporary use as permanent alienation to strangers was virtually impossible under the country's traditional land tenure system.¹⁰⁹

¹⁰⁶ D. Robie, *Blood on their Banner: Nationalist Struggles in the South Pacific*, Australia: Pluto Press, Leichhardt, 1989, p. 67.

¹⁰⁷ For a more comprehensive discussion of land alienation in Vanuatu see, Howard Van Trease, 'Colonial Origins of Vanuatu Politics', in H. Van Trease (ed.), *Melanesian Politics: Stael Blong Vanuatu*, Macmillan Brown Centre for Pacific Studies of the University of Canterbury, Christchurch, 1995, pp. 3-58.

¹⁰⁸ *Ibid.*, p. 8.

¹⁰⁹ *Ibid.*

The absence of a land registration system and a formal dispute settlement mechanism meant that by the late nineteenth century there was escalating tension and rivalry not only between the ni-Vanuatu and Europeans but also between the British and the French settlers and traders themselves. Britain and France had vested interests in safeguarding their own nationals. Both these powers were also anxious to ensure that the other did not become dominant in Vanuatu.¹¹⁰ Consequently in 1887 Britain and France decided to make Vanuatu a 'sphere of joint influence', and set-up a Joint Naval Commission to police the waters of the country.¹¹¹

The naval patrols by the Joint Naval Commission did not resolve the land disputes and tension continued unabated. As such in 1906, with the threat of war looming in Europe, both Britain and France decided to resolve outstanding problems regarding Vanuatu by signing an Anglo-French Convention establishing a condominium over the country.¹¹² This Convention was superseded in 1914 by an Anglo-French Protocol.

Condominium Rule

Under the condominium administration certain core government activities such as customs and public works were carried out jointly by the British and the French while a larger set of services

¹¹⁰ Van Trease, 'Colonial Origins', op. cit., p. 9.

¹¹¹ Useful discussions of the colonisation and colonial experience of Vanuatu are in, Robie, *Blood on their Banner*, op. cit., pp. 67-80; Howard Van Trease, 'Colonial Origins', op. cit.; B. Sope, 'Background to "Man of Vanuatu": The Colonial History of the New Hebrides', in W. Lini, *Beyond Pandemonium: From the New Hebrides to Vanuatu*, Asia Pacific Books, Suva, 1980, pp. 17-18.

¹¹² Sope, 'Background', op. cit., p. 17.

including education and health were administered separately by French and British staff.¹¹³ Joint rule led to competition and friction between the British and the French in their bid to strengthen their positions by gaining the friendship and support of ni-Vanuatu. This competition polarised the local community along anglophone/francophone lines and had far reaching consequences for the political development of the country. Premdas and Howard succinctly explained the condominium rule and its impact on the ni-Vanuatu community as follows:

The Anglo-French government established under the Protocol created an externally imposed cleavage which came to pervade most aspects of ni-Vanuatu life. In daily interaction, the French and British administrators and their respective citizens, businesses, and churches were engaged in intense competition for the loyalty of ni-Vanuatu. While at one level this provided opportunities for some ni-Vanuatu, overall the impact was disastrous. After decades of such rivalry, some ni-Vanuatu spoke French, attended French schools, went to French-run Catholic churches and availed themselves of French administered services. Other ni-Vanuatu spoke English, attended English schools, went to English (Australian)-run (mainly Presbyterian) churches and accepted English-run government services. The terms of the 1914 Protocol legalised and institutionalised this polarisation. The pervasiveness of the public bureaucracy in the life of the colonial state and the built-in divisions deepened the religio-linguistic segmentation in the society.¹¹⁴

The bifurcation of the ni-Vanuatu society was reflected in the political parties, which emerged in the country in the 1970s. For example the New Hebrides National Party (NHNP) formed in 1971 and renamed the Vanua'aku Pati (VP) in 1977 was predominantly anglophone.¹¹⁵ The European settlers and the francophone minority

¹¹³ R. Premdas & M.C. Howard, 'Vanuatu's Foreign Policy: Contradictions and Constraints', *Australian Outlook*, December 1985, vol. 39, no. 3, pp.177-186.

¹¹⁴ Ibid., p. 178.

¹¹⁵ Early party politics of New Hebrides are comprehensively discussed in, K.M. Kele-Kele, 'The Emergence of Political Parties', in C. Plant (ed.), *New Hebrides: The Road to Independence*,

that accounted for 35 per cent of the country's population responded to the advent of NHNP by forming their own parties. Some of the significant francophone parties that emerged in the 1970s included the Mouvement Autonome des Nouvelles-Hébrides (MANH) formed in 1974, Union des Communautés des Nouvelles-Hébrides, Fédération des Indépendants formed in 1977, and Tan-Union (TU) which was also formed in 1977.

One important difference between the VP and the francophone parties was the timing of independence. VP was strongly in favour of early independence. The francophone parties fearing domination by the anglophone majority preferred a slower pace, ostensibly to allow for further economic and social development of the country before political independence.¹¹⁶ Such differences between the parties and the British and French policies created political turmoil within Vanuatu in the lead up to independence, as discussed in more detail in Chapter II. Eventually, in 1980 Vanuatu received independence under a VP government.

Post-independence Political Structure and Government

On independence, Vanuatu became a Republic with a multi-party democratic system of government. The head of state is a President with a Prime Minister as the Head of Government. The country's legislative body or the Parliament is unicameral and made up of 52 members elected every four years through universal suffrage. An

Institute of Pacific Studies of the University of the South Pacific, Suva, 1977, pp. 17-34; Van Trease, 'The Colonial Origins', op. cit., pp. 20-58; V. Boulekone, 'The Politics of Tan-Union', in Van Trease (ed.), *Melanesian Politics*, op. cit., pp. 197-209.

¹¹⁶ Van Trease, 'The Colonial Origins', op. cit., p. 31.

electoral college made up of the members of parliament and the chairmen of 11 regional councils elects the President for a five-year period.

The Parliament is responsible for appointing the Prime Minister from among its members. In turn, the Prime Minister appoints the executive branch of the government consisting of a Council of Ministers or Cabinet. The President appoints the Chief Justice and three other justices after consultation with the Prime Minister.

The VP headed by Father Walter Lini stayed in power from 1980 to 1991. During this period divisions built up within the VP. On 7 August 1991 Donald Kalpokas and his supporters ousted Lini from party presidency and passed a no-confidence vote against him in the Parliament. The no-confidence vote brought to an end Lini's 11 years of leadership but not his political career. Lini went on to form the National United Party (NUP).¹¹⁷

The Kalpokas government decided to hold elections in December 1991 only two months after taking on the leadership of the country. The main parties which competed in the elections were the VP; NUP; Union of Moderate Parties (UMP) formed in 1981 and brought together several small francophone parties; TU which broke away from the UMP and allied with VP in 1989; and the Melanesian Progressive Party (MPP) established in 1988 by Barak Sope the former Secretary General of VP. UMP won a narrow victory in the elections and sought a coalition with NUP. The UMP leader, Maxime Carlot Korman, became the new Prime Minister of Vanuatu.¹¹⁸

¹¹⁷ Van Trease, 'Years of Turmoil: 1987-91' in Van Trease (ed.), *Melanesian Politics*, op. cit., pp. 73-118.

¹¹⁸ EIU, *Country Profile*, 1996, op. cit., p. 78.

In the run-up to the 1995 elections, Serge Vohor ousted Korman from his position as the President of UMP. The latter succeeded in becoming the Prime Minister of Vanuatu with the support of NUP.¹¹⁹ Vohor managed to hold onto power for only two months when he was ousted by a vote of no confidence. He was replaced yet again by Carlot Korman who secured the support of the Unity Front (UF), formed in 1992 and included VP, MPP and TU. Less than eight months later Korman lost a vote of confidence and resigned and once again Vohor became the Prime Minister of Vanuatu. Following May 1998 elections UMP and NUP joined to form the new government with Kalpokas as the Prime Minister and Lini as Deputy Prime Minister.¹²⁰

Economy

Vanuatu is in the category of Least Developed Countries (LDC). The Gross Domestic Product (GDP) per capita of the country was US\$ 1,304 in 1998.¹²¹ The country's economy is largely dominated by subsistence agriculture. The principal export products of Vanuatu include copra, beef, squash, coffee, kava, cocoa, and sawn timber.¹²² The main export markets in 1997 included Japan, Spain, Germany Côte d'Ivoire, and the United Kingdom. Being a small island state Vanuatu imports quite a large variety of products ranging from heavy machinery to

¹¹⁹ Ibid., p. 79.

¹²⁰ The Commonwealth Secretariat, *The Commonwealth Yearbook 1999*, Commonwealth Secretariat, London, 1999, p. 359.

¹²¹ National Planning Office Ministry of Finance and Economic Management, 'Vanuatu's Vulnerability Indices', paper prepared for presentation to the United Nations, made available to this author by the National Planning Office Ministry of Finance and Economic Management, Port Vila, 1998. The criteria used by the United Nations in classifying LDCs are discussed in p. 159.

¹²² EIU, *Pacific Islands: Fiji, New Caledonia, Samoa, Solomon Islands, Tonga, Vanuatu*, 3rd quarter 1998, EIU, London, 1998, p. 48.

food and live animals. The main import sources in 1997 included Japan, Australia, Singapore, New Zealand and France. Tourism and an offshore financial centre or tax haven play an important role in Vanuatu's economy as discussed in more detail in Chapter IV.

Foreign Relations

Over the past 20 years since independence Vanuatu gained membership of a large number of multilateral organisations and forged links with a number of bilateral sources. Vanuatu assumed membership of the Commonwealth in 1980.¹²³ In 1981, Vanuatu gained membership of two other important organisations namely the United Nations and the Non-Aligned Movement. Vanuatu is today a member of over 70 multilateral organisations including the Alliance of Small Island States (AOSIS), World Trade Organisation (WTO), United Nations Development Program (UNDP), International Bank on Reconstruction and Development (IBRD), International Monetary Fund (IMF), Asian Development Bank (ADB), and the World Health Organisation (WHO).¹²⁴ Presently Vanuatu has diplomatic relations with some 74 countries.¹²⁵ The former colonial powers, Britain and France, together with Australia, New Zealand and China maintain resident diplomatic missions in Port Vila. Vanuatu itself does not have any diplomatic missions abroad with the exception of the Permanent Mission of the country to the United Nations in New York.

¹²³ Hoadley, S., *The South Pacific Foreign Affairs Handbook*, Allen and Unwin, Sydney, 1992, p. 207.

¹²⁴ Interview conducted by the author with Mr. Belleay Kalotiti, Acting Director, Department of Foreign Affairs, 4 January 1999, Port Vila (unpublished).

¹²⁵ Ibid.

Vanuatu is also actively involved in regional cooperation in the South Pacific.¹²⁶ Some of the important features of the South Pacific region and regionalism are briefly discussed below.

Region and regionalism

Vanuatu is located in a region consisting of some 23 countries which include American Samoa, Australia, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Solomon Islands, Tokelau, Tonga, Tuvalu, Wallis and Futuna, and Samoa. Of these countries Cook Islands, Niue, Marshall Islands, the Federated States of Micronesia and Palau are self-governing in free association with their former colonial powers. Seven countries including Tokelau, French Polynesia, New Caledonia, Wallis and Futuna, American Samoa, Guam and Northern Mariana Islands continue to be dependent. The rest of the countries are independent.

All South Pacific island states with the exception of Australia, New Zealand and Papua New Guinea, fall into the category of small island states used in this dissertation. Papua New Guinea with a population of 4.3 million is however often considered a small island state because the country shares a number of characteristics with the rest of the regional small states.¹²⁷

¹²⁶ The history of regionalism in the South Pacific is discussed in detail in Haas, *The Pacific Way*, op. cit.

¹²⁷ See for example, Commonwealth Consultative Group, *Vulnerability*, op. cit., pp. 9-10; Commonwealth Advisory Group, *A Future for Small States*, op. cit., pp. 9-10.

The islands of the South Pacific have been classified into three groups based on the ethnicity of the indigenous populations. These groups include Melanesia, Polynesia, and Micronesia. Melanesia consists of Vanuatu, Papua New Guinea, Solomon Islands, New Caledonia, and Fiji. The latter is also considered a Polynesian state, as the indigenous inhabitants of the country are part Polynesian. The rest of the Polynesian states include American Samoa, Cook Islands, French Polynesia, Tokelau, Tonga, Tuvalu, Wallis and Futuna and Samoa. Micronesia consists of Kiribati, Federated States of Micronesia, Palau, Guam, Nauru, and the Northern Mariana Islands.

In comparison with Polynesia and Micronesia, the islands of Melanesia are larger, more populous and richer in natural resources.¹²⁸ The rugged terrain of Melanesian countries also produced more fragmented communities and diverse cultures than in Polynesia or Micronesia. Melanesia is home to over one thousand languages of which over eight hundred are in Papua New Guinea. Nevertheless, a Melanesian consciousness or identity has emerged over the years facilitated by a pidgin English, widely spoken and understood in all the countries of the group except Fiji. The following reasons have been suggested by Grynberg and Kabutaulaka, for the emergence of the Melanesian consciousness - 1) ethnic affiliation between the states; 2) geographical proximity of the Melanesian countries; 3) the classification of the Pacific islands into Melanesia, Polynesia, and Micronesia by Europeans which gained acceptance and perpetuated the conceptualisation of the sub-regional

¹²⁸ T. I. J. Fairbairn, et al., *The Pacific Islands: Politics, Economics, and International Relations*, The East-West Centre, Honolulu, 1991, p.4.

identity.¹²⁹ The formation of MSG was facilitated by this sub-regional identity.

Regionalism in the South Pacific began in the 1940s. Then almost all the Pacific island countries were colonies. It was the colonial powers that laid the foundation of regionalism in the region. Regional organisations such as the SPC were set up and funded by these powers. Interestingly even after the regional countries gained independence most of the former colonial powers maintained their membership of the SPC and continued to support regional initiatives in the South Pacific. Australia and New Zealand which provide a significant proportion of the funds for regional initiatives, being regional countries, are members of most of the regional organisations. Presently a number of other external sources such as Japan, China, and the United States support regional initiatives in the South Pacific. Support received by regional bodies of the South Pacific is discussed in more detail in chapters III and IV. Regionalism in the South Pacific would not have survived if not for continued funding from the developed countries of the region and external sources.

One of the main reasons why the region attracts a substantial amount of funding from external sources is because the region consists of a large number of small island states with a range of similar needs and interests. Thus supporting regional projects is seen as a more cost-effective way of assisting the regional countries. This issue will be discussed in more detail in the analysis of the foreign policy of Vanuatu with respect to the objective of maximising foreign aid in chapter III.

The most significant aspect of regionalism in the South Pacific is the cohesion within the region despite the large number of countries involved. This is undoubtedly because of the similarity of problems

¹²⁹ Grynberg & Kabutaulaka, 'The Political Economy of Melanesian Trade Integration', op. cit., pp. 48-60.

and interests of these states in a number of areas such as economic development, and environment protection. It is also because of the benefits reaped by the regional countries through their membership in regional organisations largely funded by external sources. The cohesion and commonality of interests facilitate the evolution of common positions on international issues and the smooth functioning of regionalism as a whole. These significant aspects of regionalism are covered in more detail in the relevant segments of the thesis.

1.4b - Maldives

Geography and Population

The Republic of the Maldives lies in the Indian Ocean some 700 kilometres to the South West of India. The country consists of approximately 1,200 very small coral islands spread out over an area of 820 kilometres from the North to South and 130 kilometres in breadth at the widest point.¹³⁰ These islands are grouped into 26 natural atolls divided into 20 administrative units.

All the islands of the Maldives are low-lying with land elevation of around three metres being the highest point above sea level. The total land area of the country is approximately 300 square kilometres. This land is divided between 1200 islands and only 10 per cent of it is arable. The EEZ of the Maldives covers an area of around 900,000 square kilometres.¹³¹

The population of the Maldives is homogeneous with all Maldivians being Muslims, sharing one mother tongue namely Dhivehi, and a common history and culture. The total population of the country was

¹³⁰ Ministry of Planning, Human Resources and Environment (MPHRE), *Republic of Maldives: National Development Plan 1994-1996*, MPHRE, Male', 1994, p. ix.

¹³¹ MPHRE, *State of the Environment: Maldives*, MPHRE, Male', 1994, p. i.

estimated at 267,400 people in 1998.¹³² The population growth rate is around 2.8 percent per annum.

The inhabitants of the country live on about 200 of the 1200 islands of the Republic. About 90 percent of these inhabited islands have populations of less than 1000 people and only 4 islands have populations over 4,000 people. Male' the capital island which is around 2 square kilometres in land area, is crowded with over 70,000 people.

Pre-1965 History

Very little is known about the ancient history of the Maldives. It is believed that Aryans and Drawidians from Sri Lanka and India initially settled the country around the fifth century BC. Through the influence of Arab traders the inhabitants of the Maldives embraced Islam in 1153 AD. In the sixteenth and the seventeenth centuries, the Portuguese and the Dutch respectively, colonised the Maldives for short periods.

Amidst a high level of political instability in the Maldives in the 1880s the British established a protectorate over the country.¹³³ The decision to do so stemmed from Britain's interest to pre-empt any other power from gaining a foothold in the Maldives, which was very close to Britain's prized colony of India. Under the protectorate agreement the Maldives surrendered the conduct of foreign affairs and defence to the British.¹³⁴ In return the British agreed to refrain from intervening in the internal affairs of the country.

¹³² MPHRE, *Statistical Yearbook of the Maldives 1998*, MPHRE, Male', 1998, p. 28.

¹³³ A detailed account of the events leading up to the establishment of the protectorate is in, M. Nasheed, *Dhagandu Dhahanaa*, Lomaafaanu Publishers, Male', 1995, pp. 143-223.

¹³⁴ U. Phadnis & E.D. Luithui, *Maldives: Winds of Change in an Atoll State*, South Asian Publishers, New Delhi, 1985, p. 19.

During the Second World War the British set-up a temporary airforce base on the island of Gan in Addu Atoll, the southern-most atoll of the Maldives. In 1956 following Sri Lanka's refusal to allow Britain to continue using the airforce facilities in Katunaike and the Royal Naval Yard at Trincomalee, the British decided to upgrade and reactivate the wartime airforce base in Gan.¹³⁵ Consequently an agreement was extracted from the Maldivian Prime Minister Ibrahim Ali Didi, which allowed Britain the use of Gan and the island of Hithadhu in Addu Atoll as an airforce base and communication centre for a period of 100 years, as a "free gift".¹³⁶

Prime Minister Didi resigned in 1957 for health reasons, without finalising the agreement that required the approval of the Maldives' Parliament known as the Citizens Majlis. The agreement created much discontent in Male', the country's capital. The opposition was particularly strong because the British commenced work on Gan without finalising the agreement. The new Prime Minister, Ibrahim Nasir, appointed in 1957, requested the British to suspend the demolition of buildings and certain aspects of the construction work on Gan until the agreement was reviewed and finalised.¹³⁷ The British complied with this request.

Some of the Nasir government's demands in the re-negotiation process included: the right to conduct non-political foreign affairs; use of the airforce base only in the defence of the Maldives and the Commonwealth; resettlement of the inhabitants of Gan; and ensuring that the base did not disrupt the local fishing industry.¹³⁸ While the negotiations were ongoing a secessionist movement which emerged in Addu Atoll joined with a latent movement in neighbouring Huvadhu Atoll and declared independence from the Maldives under the name 'United Suvadhiva Islands Republic'. The threat of Suvadhiva gaining international recognition weakened the bargaining position of the Maldives in its negotiations with Britain. Consequently, in 1960 an

¹³⁵ Ibid., p. 28; *Keesing's Contemporary Archives*, January, 1957, p. 15295.

¹³⁶ Phadnis & Luithui (eds.), *Maldives*, op cit., p. 28.

¹³⁷ *Commonwealth Survey*, vol. 4, no. 11, 27 May 1958, p. 494.

agreement was reached under which Britain received approval for the use of Gan and Hithadhu for a period of 30 years instead of the 100 years in the previous agreement. The British also paid £100,000 to Male' immediately following the agreement and another £750,000 was promised over a five year period.¹³⁹ Having secured the lease of Gan, the British conceded independence to the Maldives in 1965.

Post-1965 Political Structure and History

At independence the Maldives was a sultanate under Sultan Mohamed Farid Didi, with Nasir as Prime Minister. A referendum in 1968 abolished the Sultanate in favour of a Republican form of government.¹⁴⁰ There are no political parties in the country. The new constitution that came into effect in 1998 allows aspiring candidates to nominate themselves to the post of the President. The Parliament then selects a candidate for the post from the list of nominees, through a secret ballot. Following the selection, a national referendum is held to decide whether the public approves the candidate. If the candidate does not succeed in the referendum a new candidate is to be elected. The president is appointed for a 5-year term.

The executive branch of the government includes the President and his cabinet ministers. There is no limit on the size of the cabinet. The legislature consists of a unicameral parliament made up of 2 members elected from Male', 2 from each of the 20 administrative atolls, and 8 members appointed by the President. The judiciary is made up of the High Court, Lower Courts and the President, who is the supreme judicial authority. The President appoints the Chief Justice and all other judges.

¹³⁸ Phadnis & Luithui, (eds.), *Maldives*, op cit., pp. 30-31.

¹³⁹ Ibid., p. 33.

¹⁴⁰ This was the second time the Maldives became a republic. The first republic was declared in 1953 and lasted for 8 months before the country reverted to a sultanate.

The Maldives has had two Presidents since independence. The first was Ibrahim Nasir, elected President in 1968 when the country became a Republic. He was re-elected for a second term in 1973. In 1978, Nasir announced his intention to quit politics and the elections that followed brought Maumoon Abdul Gayoom, to power. Gayoom continues to rule the country since and was re-elected for a fifth consecutive term of office in 1998.

The Economy

The Maldives is a LDC with a GDP per capita of US\$ 990 in 1997.¹⁴¹ During the 1986-96 period the country's GDP growth rate was 5.2 per cent per annum.¹⁴² Fishing and tourism are the two key sectors of the country's economy. Fishing is the largest industry employing over 20 per cent of the workforce and accounting for 70 per cent of exports.¹⁴³ Nevertheless, 90 per cent of the government income is derived from import duties and tourism related taxes.

Maldives has a large shortage of local labour as evident from the fact that there are over 21 thousand foreign nationals working in the country, while local unemployment is negligible.¹⁴⁴ Approximately 90 per cent of these foreign workers are from SAARC countries. Over 50 percent of the workers are employed in unskilled jobs the rest in semi-skilled and skilled jobs mainly in hotels, shops and restaurants.

Marine products such as canned and frozen tuna together with garments are the principal exports of the Maldives. The most significant export markets of the country include the United States, United Kingdom, Sri Lanka, Singapore, Germany, Japan and Thailand.

¹⁴¹ Committee for Development Planning, *Committee for Development Planning: Report of the 31st Session*, ECOSOC, New York, 1997, p. 45.

¹⁴² MPHRE, *Fifth National Development Plan*, MPHRE, Male, 1997, p. 40.

¹⁴³ MPHRE, *Fourth National Development Plan*, MPHRE, Male, 1994, pp. 45 and 63.

¹⁴⁴ Ibid. p. 45.

The Maldives like Vanuatu is heavily dependent on a large variety of imports. The main import sources of the country include, Singapore, Sri Lanka, India, Germany and Japan.

Foreign relations

The Maldives has maintained a diversified and outward looking foreign policy since independence. The country became a member of the United Nations on 21 September 1965, less than two months after independence. Presently the Maldives has membership in some 56 international organisations including the Commonwealth, NAM, IMF, AOSIS, WTO, and the OIC. The Maldives has also established diplomatic relations with 124 states. Of these countries, Sri Lanka, India and Pakistan maintain diplomatic missions in the Maldives. The Maldives has resident diplomatic missions in Colombo, London and New York.

The Maldives is also very actively involved in regional cooperation in South Asia. The Maldives' participation in regional cooperation and its benefits to the country will be discussed in detail in chapters II, III, and IV. However some important features of South Asia and its regionalism are outlined below.

Region and regionalism

The South Asia region consists of seven states including Bangladesh, Bhutan, India, Nepal, the Maldives, Pakistan, and Sri Lanka. There are vast differences between the regional countries in terms of population, land area, topography and so on. The largest in the region is India with a population of some 967.5 million people.¹⁴⁵

¹⁴⁵ *The World Almanac and Book of Facts 1998*, World Almanac Books, New Jersey, 1998, p. 773.

Pakistan and Bangladesh have populations of over 100 million people. Nepal and Sri Lanka have populations of 23, and 18.5 million respectively.¹⁴⁶ Bhutan's population of 1.8 million people is the smallest in the region with the exception of the Maldives.¹⁴⁷ However, Bhutan's population is still larger than those countries in the category of small states used in this thesis.

India with a land area of over 3 million square kilometres is the largest in the region.¹⁴⁸ Most of the regional countries are over 100,000 square kilometres in land area.¹⁴⁹ Sri Lanka, which is the only other island state in South Asia apart from the Maldives, has a land area of around 65,610 square kilometres.¹⁵⁰ Bhutan's land area of 47,000 is the smallest in South Asia with the exception of the Maldives that has only 300 square kilometres of land area. As such various problems and vulnerabilities which arise from being small island states do not apply to the states of South Asia except the Maldives.

Despite their asymmetries, South Asian countries have some common characteristics. They share some ethnic and cultural affinities, most countries have contiguous borders and most of all the countries of the region are all developing states. Despite these common characteristics no attempt was made at regional co-operation in South Asia until the 1980s, probably because of the high level of mutual suspicion and tension among certain regional countries. Between 1947 and 1971 for example, India and Pakistan fought three wars and the tension between them is continuing.¹⁵¹ India and Bangladesh also have conflicts over the sharing of the waters of Brahmaputra River and the migration of Bangladeshis to India.¹⁵² Mukherji has noted that India in the 1960s and 1970s did not attempt

¹⁴⁶ Ibid., pp. 742, 806, 802, and 820.

¹⁴⁷ Ibid., p. 745.

¹⁴⁸ D. Crystal (ed.), *The Cambridge Encyclopaedia*, 3rd Edition, Cambridge University Press, 1997, p. 542.

¹⁴⁹ Ibid., pp. 751, 115, and 801.

¹⁵⁰ Ibid., p. 1012.

¹⁵¹ Anand, *South Asia*, op. cit., p. 6-9.

regional co-operation in South Asia because it might raise doubts among its smaller neighbours regarding the country's intentions.¹⁵³

It was the late President of Bangladesh, Zia-ur-Rahman, who in 1981 proposed regional co-operation in South Asia.¹⁵⁴ After extensive discussion, South Asian Regional Co-operation (SARC) was formally launched in 1983. In 1985 a formal regional organisation was set up and SARC was renamed the South Asian Association for Regional Co-operation (SAARC).

Regionalism in South Asia is a very recent phenomenon unlike in the South Pacific. As such South Asian regionalism has not had the benefit of time to mature. The process of development is also hindered by the high degree of tension in the region. Furthermore, the differences in the physical characteristics and interests among the regional states contribute to the inertia in South Asian regionalism.

There are no developed countries in South Asia and regional initiatives do not receive much support from external sources as discussed in more detail in chapters III and IV. This is probably because the regional countries do not show a strong commitment to regionalism. Moreover the financial outlays by regional countries themselves for the SAARC process are extremely modest compared to the large amounts some countries are prepared to spend on other activities such as defence for example. While this is the case the financial requirements of the SAARC is comparatively much greater than the South Pacific to have a substantial impact on the regional populace.

¹⁵² Disputes within the region are outlined in, G. Umar, *SAARC (Analytical Survey)*, Pakistan Institute of international Affairs, Karachi, 1988, pp. 72-82.

¹⁵³ I.N. Mukherji, 'India and Regional Cooperation', in A. Majeed, *Indian Ocean: Conflict and Regional Cooperation*, Ayaz Books, Lahore, 1987, pp. 157-173.

¹⁵⁴ History of regional co-operation in South Asia is comprehensively discussed in, Anand, *South Asia*, op. cit., pp. 56-73.

As mentioned before the Maldives is the only small island state in South Asia. Thus the differences in the needs and interests of the Maldives and the rest of the regional countries are reflected in the usefulness of SAARC to the Maldives. The characteristics and features of South Asian regionalism are discussed in more detail in the relevant sections of the thesis.

CHAPTER II

PRESERVING AND ENHANCING SECURITY AND SOVEREIGNTY

2.1 - Introduction

No nation in this world is immune to threats to their security and sovereignty. Yet, there is no other group within the global community that faces threats to security and sovereignty more seriously than small island states. Preserving and enhancing security and sovereignty are therefore among the fundamental foreign policy needs of small island states. It is the aim of this chapter to assess the foreign policies of both Vanuatu and the Maldives at the multilateral, regional and bilateral levels in the area of preserving and enhancing security and sovereignty.

The discussion in this chapter is divided into six sections. Section 2.1 is the introduction that also provides the definitions of security and sovereignty used in the thesis. The second section or section 2.2 will discuss Vanuatu's foreign policy objectives. This will be followed by section 2.3 that aims to assess the effectiveness of foreign policy actions at the multilateral, regional and bilateral levels in contributing towards Vanuatu's objectives. Section 2.4 will discuss the foreign policy objectives of the Maldives while section 2.5 will assess the foreign policy actions of the latter country. Section 2.6 will attempt to sum up the discussion in the chapter with an intra-country comparison of the effectiveness of multilateralism, regionalism and bilateralism in contributing towards the foreign policy objectives of Vanuatu and

the Maldives. This latter exercise will not only serve to conclude the chapter but also facilitate the inter-country comparison in chapter V.

2.1a - Security

As Barry Buzan has argued security is a contested concept that is without a universally accepted definition.¹⁵⁵ Therefore, it is imperative that the concept of security used in this thesis be defined from the outset. This is particularly important because traditional definitions of security are too narrow or inadequate to use in discussing the security of small island states. Such definitions are largely restricted to the context of confrontation or war between states. Lippmann for example, linked security to the "core values" of a nation and argued that the latter is secure insofar as it does not have to sacrifice its core values to avoid war and if challenged is able to protect them by winning the war.¹⁵⁶ Such definitions exclude from the ambit of security the threats posed by some non-state actors such as mercenaries, terrorists and drug traffickers that do not eventuate in war or the threat of war. Nevertheless, such non-state actors have the potential to seriously destabilise or erode the security and sovereignty of a small state.

This thesis favours a definition of security that takes into consideration the special security needs of small island states. Such a definition has been offered by the Commonwealth Consultative

¹⁵⁵ B. Buzan, *People, States and Fear: The National Security Problem in International Relations*, University of North Carolina Press, Chapel Hill, 1983, p.11.

¹⁵⁶ W. Lippmann, *U.S. Foreign Policy: Shield of the Republic*, Little Brown & Co., Boston, 1943, p.51.

Group which defined security as, "the absence of threat to the capacity to govern, preserve and advance the state and its peoples consistent with the principle of respect for the sovereignty and territorial integrity of other states".¹⁵⁷ Under this definition no country in the present day world is fully secure since total security depends on the elimination of all threats. Yet small states that face a wider range and a higher intensity of threats are more insecure.

2.1b - Sovereignty

The concept of sovereignty can be explained by distinguishing between internal and external sovereignty. Internal sovereignty is based on the idea that there exists an absolute authority or a sovereign within society.¹⁵⁸ In contemporary society the absolute authority lies with the state. Internal sovereignty therefore refers to the ability of a state to assert absolute authority within its area of jurisdiction. Any threat to such authority is a threat to a state's sovereignty.

The term external sovereignty refers to sovereignty of a state within the international community. In this context, sovereignty does not mean absolute authority of a state but being an equal member within the community of nations. Couloumbis and Wolfe have succinctly defined external sovereignty as the "recognition by all states of the independence, territorial integrity, and inviolability

¹⁵⁷ Commonwealth Consultative Group, *Vulnerability*, op. cit., p. 23.

¹⁵⁸ J.A. Camilleri, *The End of Sovereignty: The Politics of a Shrinking and Fragmenting World*, Edward Elgar, Hants, 1992, p.15.

of each state as represented by its government".¹⁵⁹ These definitions of internal and external sovereignty are collectively referred to in this thesis as sovereignty.

2.2 - Vanuatu's Foreign policy objectives

This thesis has identified the following four foreign policy objectives of Vanuatu in the area of preserving and enhancing its security and sovereignty. These four objectives include the assertion of sovereignty; support for decolonisation; realising a nuclear free Pacific; and combating the threat of transnational crime. The reasons for and the nature of these objectives are outlined below after a brief discussion of the guiding philosophy of Lini and Vanua'aku Pati. This philosophy is important to the understanding of all the foreign policy objectives of Vanuatu in the 1980s.

Lini has described the guiding philosophy or principles of his nation as Melanesian Socialism.¹⁶⁰ Lini points out that Melanesian Socialism constitutes Melanesian values, principles and expectations. These values and principles might have similarities with communism or Soviet socialism but Melanesian Socialism is claimed to have its origins or roots strictly in the Melanesian past. The process of colonialism is believed to have suppressed Melanesian values and principles. On independence Lini wanted to instigate a renaissance of Melanesian Socialism.¹⁶¹

¹⁵⁹ T.A. Couloumbis and J.H. Wolfe, *Introduction to International Relations: Power and Justice*, 2nd edition, Prentice-Hall, Inc., New Jersey, 1982, pp. 54-55.

¹⁶⁰ Lini, statement to the Australian and South Pacific Conference, February 18-19, *Pacific Islands Monthly*, April 1982, pp. 25-27.

¹⁶¹ Ibid., p. 25.

Premdas questions the validity of Lini's claim that the source of Melanesian Socialism is strictly in the Melanesian past and has identified three other sources that influenced the philosophy.¹⁶² The first source was Christianity. During Lini's childhood he was educated in Christian denominational schools and later became a trained Anglican (Episcopalian) pastor.¹⁶³ Although Lini criticised early Christian missionaries for failing to understand and outlawing Melanesian spiritual practices he noted that in their ideal form, Christian ethical values bore great affinity to Melanesian values or Melanesian Socialism.¹⁶⁴ Many of the founders, activists, Parliamentarians and Cabinet Ministers of VP attended Christian denominational schools and theological colleges and became pastors and catechists.¹⁶⁵

The second source identified by Premdas is Papua New Guinea (PNG) where a radical campaign for independence was mounted in the 1970s. Several ni-Vanuatu students who subsequently assumed executive positions in VP, including Barak Sope who became the Pati's Secretary, attended the University of Papua New Guinea which was then the hot-bed of anti-colonial radicalism in the South-West Pacific. This factor could perhaps have influenced Vanuatu's radicalism in foreign policy, which will be discussed in more detail later on in this Chapter.

¹⁶² R. Premdas, 'Melanesian Socialism: Vanuatu's Quest for Self-Definition and Problems of Implementation', *Pacific Studies*, vol. II, no. 1, November 1987, pp. 107-129.

¹⁶³ Lini's childhood is discussed in, Lini, *Beyond Pandemonium*, op. cit.

¹⁶⁴ Premdas, *Melanesian Socialism*, op. cit., p. 110.

¹⁶⁵ Ibid., p. 111.

The third source was the influence of Tanzanians. Premdas has noted that there was a large and influential contingent of Tanzanian lecturers at the University of Papua New Guinea, who had sympathy for Julius Nyerere's populist socialist believes.¹⁶⁶ These lecturers had close relations with the PNG nationalists. On PNG's independence several of these Tanzanians travelled to Vanuatu and helped ni-Vanuatu nationalists on constitutional and political matters. Furthermore, several ni-Vanuatu nationalists travelled to Tanzania and sought training and advice.¹⁶⁷ While Lini denied any Tanzanian influence on his Pati, he refers in his speech to the Australian and South Pacific Conference, to the "good thoughts of my Comrade Julius Nyerere".¹⁶⁸ Based on these factors Premdas has drawn the conclusion that the non-aligned policy of Vanuatu and the critique of international capitalism and imperialism by Lini was very likely influenced by Tanzanian socialism.¹⁶⁹

It is true that Christianity, radicalism of PNG nationalism and Tanzanian socialism could have influenced Vanuatu's policies. However one should not disregard the strong influence of Vanuatu's own history and physical geography on the country's foreign policy. These influences on Vanuatu's foreign policy will be discussed in the course of this chapter.

¹⁶⁶ Ibid.

¹⁶⁷ Ibid.

¹⁶⁸ Lini, statement to the Australian and South Pacific Conference, op. cit.

¹⁶⁹ Premdas, *Melanesian Socialism*, op. cit., p. 111.

2.2a - Assertion of sovereignty

In the 1980s, Vanuatu was renowned in the South Pacific for its fiercely independent foreign policy.¹⁷⁰ This foreign policy stance was largely influenced by the radical influences on the VP executives discussed above, and the small size and history of the country. The relationship between smallness and the desire to assert sovereignty was expressed by Lini in 1985 as follows:

...small states such as ours are very vulnerable to outside influences, especially when they have to depend on foreign aid. In recognising this we have tried as much as possible, to protect our sovereignty. That is why we have maintained a non-aligned foreign policy as we have.¹⁷¹

The bitter experience of ni-Vanuatu at the hands of early European traders and colonial powers are some of the most significant factors responsible for Vanuatu's foreign policy stance mentioned above. These factors are briefly discussed below as they are important to the understanding of most of Vanuatu's foreign policy objectives and actions discussed in this chapter.

Blackbirding was among the early experiences of ni-Vanuatu at the hands of European traders. The resentment and bitterness caused by blackbirding linger on to this day among ni-Vanuatu. Hoadley has

¹⁷⁰ Useful discussions of Vanuatu's foreign policy in the 1980s are in, R. Premdas and M.C. Howard, 'Vanuatu's Foreign Policy: Contradictions and Constraint', *Australian Outlook*, vol. 39 no. 3, December 1985, pp. 177-186; and R.T. Robertson, 'Vanuatu: Fragile Foreign Policy Initiatives', *Development and Change*, vol. 19, no. 4, 1988, pp.617-647.

¹⁷¹ *Vanuatu Weekly*, 4 May 1985, p. 17.

noted that the xenophobic element of Vanuatu's nationalism can be traced back to the tactics of blackbirders.¹⁷²

The colonial experience added to ni-Vanuatu resentment caused by blackbirders. Land alienation by foreigners that began before colonialism continued under the Condominium rule creating local hostility and sometimes physical opposition. In the 1960s for example, a grassroots movement known as Nagriamel, led by Chief Buluk and Jimmy Stevens, began occupying land settled by a French company in Tanafo near Luganville.¹⁷³ Nagriamel argued that foreigners had no right to dark bush land.¹⁷⁴ It led Buluk and Stevens to be arrested and jailed for several months, but increased the popularity of the movement. Consequently, the French administrators encouraged planters and companies involved to hand over parts of their undeveloped land to ni-Vanuatu so as to gain their acceptance of permanent alienation of the developed areas.¹⁷⁵ The tactic worked well in resolving the Nagriamel grievances. However, opposition to land alienation by other groups of ni-Vanuatu in areas such as Malekula and Port Vila continued during the 1960s and 1970s.¹⁷⁶

Another source of resentment of ni-Vanuatu, especially the anglophone majority, was the bifurcation of the indigenous society by the dual colonial administrations. According to Lini, the condominium administration "consciously advocated social

¹⁷² S. Hoadley, *The South Pacific Foreign Affairs Handbook*, Allen and Unwin, Sydney, 1992, p. 202.

¹⁷³ Van Trease, 'The Colonial Origins', op. cit., pp. 12-14.

¹⁷⁴ *Dark bush land* is the Bislama term for virgin forest.

¹⁷⁵ Van Trease, 'The Colonial Origins', op. cit., p. 18.

¹⁷⁶ *Ibid.*, p. 14.

division".¹⁷⁷ He likened the social situation in the country then to "hell".¹⁷⁸ When time came for independence the anglophone aspirations for a united country under one government, one law, one education system and one health system faced stiff resistance from the francophones supported by the French government.¹⁷⁹ The bitter struggle that ensued, briefly discussed below, further incensed local resentment of the colonial powers and strengthened the push for independence.

In 1975 France and Britain agreed to provide Vanuatu with independence and decided to elect a Representative Assembly. Robie has noted that the French agreed to independence on the belief that the francophone parties they nurtured over the previous few years would succeed in the elections.¹⁸⁰ The Representative Assembly was to be made up of 29 universal suffrage seats, 4 seats reserved for customary chiefs of four districts, and 9 seats to be elected by the Chamber of Commerce and Co-operatives. The elections gave VP 17 out of the 29 universal suffrage seats but not enough for a majority in the Assembly. It created much dissatisfaction and the VP blamed the colonial powers for the dilemma. Lini argued that the British and the French purposefully tried to balance the power of the elected members by appointing members from the Chamber of Commerce to the Assembly, allowing Europeans in the country to participate in the elections, and preventing 18 year old ni-Vanuatu from voting.¹⁸¹

¹⁷⁷ Lini, address to the UN Committee of 24, 19 August 1976, in Lini, *Beyond Pandemonium*, op. cit., pp.35-37.

¹⁷⁸ Ibid.

¹⁷⁹ Ibid.

¹⁸⁰ Robie, *Blood on their Banner*, op. cit., p. 72.

¹⁸¹ Lini, *Beyond Pandemonium*, op. cit., p. 40.

At the first meeting of the Assembly, a motion to remove the Chamber of Commerce seats from the body was tabled by VP.¹⁸² Vote on this motion was tied and the VP decided to boycott the Assembly. It led to a series of developments including: VP deciding to use more activist methods to force colonial powers to commit to a clear plan for independence; colonial powers deciding to hold new elections; the raising of VP's flag in a number of locations and the declaration of the establishment of a Peoples Provisional Government by VP members. These events provoked numerous incidents of violence between VP and opposition supporters. Consequently, fresh elections were held in 1979 under United Nations' observation and monitoring. In this elections the VP won a landslide victory gaining 62 percent of the total votes and 26 seats in the 39 seat Assembly.¹⁸³

The situation in Vanuatu took a turn for the worse on VP's victory. Jimmy Stevens and his supporters began threatening and intimidating VP supporters in Santo, forcing over 400 anglophones to flee the town.¹⁸⁴ The French would not agree to a British suggestion to send a joint police unit to the island to establish law and order. Being given a free hand Jimmy Stevens declared his intention to secede Santo from Vanuatu and gain independence as the Republic of Vemarana.

Stevens had the backing of the French government, French settlers, mixed race planters and businessmen seeking to protect land-holdings.¹⁸⁵ On 28 May 1980 the secessionists launched a co-ordinated

¹⁸² Van Trease, 'The Colonial Origins', op. cit., p. 36.

¹⁸³ Ibid., p. 40.

¹⁸⁴ Ibid., p. 41.

¹⁸⁵ G. Molisa, N.N. Vurobaravu, & H. Van Trease, 'Background to "The Eve of Independence": The Hidden Agenda', in Lini, *Beyond*

offensive in Santo during which they attacked government buildings and the police headquarters, ransacked houses belonging to anglophones, confiscated private property and forced the remaining anglophones to flee. The actions of Jimmy Stevens and his followers were mimicked in Tanna by members of francophone parties. Despite pleas for help by the Lini government to quell the lawlessness the colonial powers stood by as the situation deteriorated in Vanuatu. Consequently, on independence Lini was forced to look for support from regional states in reuniting his divided country.¹⁸⁶

The bitter historical experience had a profound influence on the foreign policy of Vanuatu. As Premdas has argued, no evaluation of Vanuatu or its ideology can fail to consider the adverse historical background from which the country sought to extricate itself to assert its independence and a dignified identity.¹⁸⁷ Lini government was determined to ensure that Vanuatu's bitter struggle was not in vain and that the country would not be treated as a second class state in international relations. Vanuatu wanted nothing less than total control over its own destiny. In this respect Vanuatu's Roving Ambassador, Nike Nike Vurobaravu, stated that "historical experience has made us determined that those big nations will no longer influence Vanuatu as they did in the past".¹⁸⁸

The salience of the assertion of sovereignty as a foreign policy objective began diminishing in the late 1980s due to divisions

Pandemonium, op. cit., pp. 56-59; *Keesing's Contemporary Archives*, 2 January 1981, p. 30642.

¹⁸⁶ The suppression of the rebellion is discussed in pp. 37-38.

¹⁸⁷ R.R. Premdas, 'Melanesian Socialism: Vanuatu's Quest for self-determination and Problems of Implementation', *Pacific Studies*, vol. 11, No. 1, November 1987, pp. 107-129.

¹⁸⁸ Interview conducted by R.T. Robertson in Vila, on 12th February 1986, quoted in Robertson, 'Vanuatu', op. cit., pp. 621-622.

within the VP, which will be discussed in more detail later in this chapter. Moreover, the UMP that came to power in 1991 did not have the same passion for the assertion of sovereignty as the Lini government. The members of the UMP were predominantly francophones. Thus, reactions against nuclear testing and colonialism that were effectively used by the VP in asserting Vanuatu's sovereignty, were not important in the foreign policy of UMP. However, there have been a couple of instances, discussed later in this chapter, in which UMP took bold steps in asserting Vanuatu's sovereignty.

2.2b - Supporting Decolonisation

The colonial history of Vanuatu was influential in dictating the country's foreign policy objective of supporting decolonisation. Having undergone a very bitter colonial experience the ni-Vanuatu were anxious to see an end to the practice which held them captive for over 75 years. Consequently on independence Vanuatu strongly supported decolonisation world-wide. However, it was the continuation of colonialism in Vanuatu's neighbourhood that most seriously concerned Lini government. The decolonisation of the region was not merely an issue of morality and justice as far as the Lini government was concerned, but a matter of crucial importance for the security of Vanuatu. In an address to the Australia and South Pacific Conference, in 1982, Lini explained that the "Pacific is one of the last regions of the world where the heavy hand of colonialism continues to be played", and that "these remnants of the

past must be lifted from our ocean, for, in all truth, and as I have remarked before, until all of us are free, none of us are".¹⁸⁹

The above threat perception was particularly pertinent with respect to French colonialism in New Caledonia. The suppression of the Santo secessionist movement in August 1980 led some 387 rebels, mostly French settlers and half-castes, to flee to New Caledonia.¹⁹⁰ They were joined there by many of the 127 foreigners (110 of whom were French citizens) declared prohibited immigrants in Vanuatu following the rebellion. This community of disgruntled rebels, a number of whom lost their properties in Santo, openly threatened to destabilise the VP-led government in Vanuatu.¹⁹¹

The threats from the community of rebels in Noumea could not be taken lightly given New Caledonia's role in the secessionist movement. While the actual extent of Noumea's involvement in the rebellion is uncertain, it is clear that during Lini-government's blockade of Santo following the unrest, New Caledonia allowed the rebel-owned vessel, *Vemerana Federation*, to dock in Noumea for supplies.¹⁹² It is also known that three days prior to the rebellion, New Caledonia allowed a flight carrying rebel leaders to fly straight from Noumea to Santo without authorisation from Vanuatu.¹⁹³ There is a suspicion that the flight also carried arms and

¹⁸⁹ W. Lini's keynote address to the Australia and the South Pacific Conference, 18 February 1982, in *Pacific Islands Monthly*, April 1982, pp. 25-28.

¹⁹⁰ The number of rebels who fled Noumea was obtained from, J. Beasant, *The Santo Rebellion: An Imperial Reckoning*, Heinemann Publishers Australia, Richmond, 1984, p. 143.

¹⁹¹ Premdas & Howard, 'Vanuatu's Foreign Policy', op. cit., p. 184.

¹⁹² G. Molisa, et al, 'Vanuatu Overcoming Pandemonium', in R. Crocombe and A. Ali (eds.), *Politics in Melanesia*, Institute of Pacific Studies of the University of the South Pacific, Suva, 1982, p. 110-12.

¹⁹³ Ibid. p. 97.

ammunition. Van Trease has argued that while the French government encouraged and supported the rebellion the rebels themselves were allied with right-wing elements in New Caledonia whose ultimate aim was to link the islands of Santo and Tanna with the Loyalty Islands to form a separate buffer state between them and Vanuatu.¹⁹⁴

Not surprisingly, the fear of external intervention caused a "siege mentality" to prevail in Vanuatu in the 1980s.¹⁹⁵ It was the perception of the Lini-government that as long as the French were in control of New Caledonia the security of Vanuatu would remain under threat. As such, Lini was keen to see an end to colonialism in his country's neighbourhood and particularly in New Caledonia.

The Lini-government was certain that France would not grant independence to New Caledonia unless compelled to do so. In an interview with Robertson, Ambassador Vurobaravu explained his country's position on the question of New Caledonia, as follows:

Everyone wants New Caledonia to be independent, but Vanuatu says that France will never freely bestow independence on New Caledonia. Again this comes down to experience. Ask Vietnam or Algeria if the French gave them independence? We say if you don't give New Caledonia independence there will never be peace in the region. Our foreign policy is aimed always at ensuring stability. Vanuatu asks what is the best way of ensuring stability? Surely by respecting people, by permitting self-determination.¹⁹⁶

Consequently, the decolonisation of New Caledonia was very significant among the foreign policy objectives of Vanuatu. The

¹⁹⁴ Van Trease, 'The Colonial Origins', op. cit., p. 49.

¹⁹⁵ Premdas & Howard, 'Vanuatu's Foreign Policy', op. cit., p.184.

¹⁹⁶ Excerpt from the interview conducted by Robertson in, Robertson, 'Vanuatu', op. cit., p. 625.

struggle for independence by the West Papuans and East Timorese were the other two causes in the area of decolonisation in which Vanuatu was particularly interested.

The support for decolonisation receded in significance in Vanuatu's foreign policy in the 1990s largely due to the assumption of power by the UMP. As mentioned before the UMP was dominated by francophones who had no inclination to pursue issues related to decolonisation. This was most importantly because France continued to colonise New Caledonia. Serge Vohor who became the Foreign Minister of Vanuatu in 1991, explained the UMP position on New Caledonia thus:

The French government and the people of New Caledonia alone will decide on the issue of independence. The new government in Vanuatu today faces many urgent problems of its own, which will occupy its time and energy. The independence of New Caledonia is, therefore, not one of our top priority issues.¹⁹⁷

2.2c - Realising a nuclear-free South Pacific

In 1962, France decided to use the French Polynesian atolls of Moruroa and Fangatafu in the South Pacific, for its nuclear testing program.¹⁹⁸ This decision caused serious concern within the South Pacific because of the potential risk to the region from nuclear testing. Assurances by France regarding the safety of the tests did little to calm the fears of the Pacific islanders.

¹⁹⁷ Serge Vohor, 'UMP Foreign Policy', in Van Trease, *Melanesian Politics*, op. cit., pp. 175-180.

¹⁹⁸ Yoko Ogashiwa, *Microstates and Nuclear Issues: Regional Cooperation in the Pacific*, Institute of Pacific Studies, University of the South Pacific, Suva, 1991, pp. 1-34.

The ni-Vanuatu, even before independence, shared the sentiments of the other Pacific islanders on the issue of nuclear testing and dumping in the region. A statement issued in 1975 by the New Hebrides National Party (NHNP) for example, condemned any form of nuclear activity and supported the move by other Pacific island countries to declare the region a nuclear-free zone.¹⁹⁹ Further an organisation called the Social Concerns Committee, formed in 1979 by representatives of churches, chiefs, women's groups, youth groups, trade unions, university students, political parties and the government, began a local anti-nuclear movement.²⁰⁰ Ms. Hilda Lini, a sister of Prime Minister Lini, was very active within the movement and later represented the VP in the meetings of the Nuclear-free Pacific Movement, the regional anti-nuclear movement founded in Fiji in April 1975.²⁰¹ The anti-nuclear awareness created by such movements and the strong stand they take against nuclear proliferation tended to support and influence Vanuatu's policies on nuclear issues. Moreover Ms. Lini is believed to have been a strong influence on the VP's stand against nuclear testing and proliferation.

On independence, the realisation of a nuclear-free South Pacific was among the most significant foreign policy objectives of the VP. The Lini government saw the nuclearisation of the Pacific as a continuation of colonialism and a direct threat to Vanuatu. As such Vanuatu emerged as one of the most hard-line in the region against

¹⁹⁹ Statement issued by NHNP quoted in Hoadley, *The South Pacific*, op. cit., p. 205.

²⁰⁰ Ogashiwa, *Microstates and Nuclear Issues*, op. cit., p. 61.

²⁰¹ Representation by Hilda Lini in the Nuclear-free Pacific Forum in Sedney in 1980, on behalf of VP is discussed in *Pacific Islands Monthly*, December 1980, p. 37.

nuclear testing. Barak Sope, the Secretary-General of VP until 1988, explained Vanuatu's opposition to nuclear testing in the following words:

In the past colonialists wanted our labour, so they kidnapped us. Then they wanted our land, so they stole it from us for their plantations. Now they want our sea for the dumping of nuclear waste, testing of nuclear missiles and passage of submarines. The Trident submarine may be a far cry from a blackbirding vessel, but to us they are both ships from the same old fleet. That is why Vanuatu is opposing nuclear colonialism in the Pacific.²⁰²

2.2d - Combating the threat of transnational crime

Transnational crime has been a concern for Vanuatu since independence. Initially it was the possibility of attempts by the large community of Santo rebels in New Caledonia, at destabilising Lini-government, which was the most serious transnational threat facing Vanuatu. This perception was not far-fetched since the ability of externally based dissidents to destabilise a small state is well known. The Commonwealth Consultative Group for example, identified destabilisation by externally based dissidents as one of the serious threats facing small states.²⁰³

More recently transnational criminal activity such as drug trafficking and money laundering increased world-wide threatening small island states of the South Pacific region. The seriousness of this threat is underlined by factors such as the discovery of some \$

²⁰² A quotation from a speech made by Barak Sope at the University of the South Pacific, in Robertson, 'Vanuatu', op. cit., p. 626.

²⁰³ Commonwealth Consultative Group, *Vulnerability*, op. cit., p. 26.

30 million worth of hashish in Fiji in 1992.²⁰⁴ The report of a task force appointed by the New Zealand Government to review New Zealand's relations with the South Pacific noted that, "recent seizures suggest that the Pacific Island countries are being seen as potential transit points from Asia to Australia, New Zealand and the United States".²⁰⁵

Vanuatu's tax haven had attracted some 2,500 foreign companies by 1997 and was a prime target for such crime.²⁰⁶ Vanuatu's Prime Minister Donald Kalpokas expressed his concern that the continuing escalation of international criminal activity such as drug trafficking and money laundering, "have the potential of placing the sovereignty and territorial integrity of small states at great risk".²⁰⁷ While the protection against such threats is among the declared foreign policy objectives of Vanuatu the seriousness of the country in combating transnational crime is questionable. This issue will be further explored in the course of this chapter.

2.3 - Vanuatu's Foreign Policy Actions

Vanuatu employed a number of foreign policy actions at the bilateral, regional and multilateral levels, in pursuance of the country's foreign policy objectives namely, assertion of sovereignty; supporting decolonisation; realising a nuclear free

²⁰⁴ *Pacific Islands Monthly*, March 1992, p. 6.

²⁰⁵ South Pacific Policy Review Group, *Towards a Pacific Island Community*, Wellington, 1990, p. 218.

²⁰⁶ *The World of Information Asia and the Pacific Review*, 16th edition, Walden Publishing Ltd., Essex, 1997, p. 193.

²⁰⁷ Prime Minister Kalpokas, statement to the 53rd Session of the United Nations General Assembly, New York, 30 September 1998, a copy of the statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

Pacific; and combating transnational crime. A broad range of Vanuatu's foreign policy actions at the multilateral, regional, and bilateral levels are discussed below with the aim of assessing their effectiveness in furthering the foreign policy objectives of the country.

The discussion in this section is carried out under three subheadings - multilateralism, regionalism and bilateralism. The foreign policy actions at the multilateral, regional and bilateral levels in furthering a single objective or regarding a single issue will be discussed in this section under one or more of the three separate sub-headings mentioned above. For example, Vanuatu's foreign policy actions at the global level in pursuit of the independence of New Caledonia will be discussed in this section under the subheading multilateralism. The attempts made at the regional level to further the said cause will be discussed under the subheading regionalism, and bilateral contributions to the process will be discussed under the subheading bilateralism.

2.3a - Multilateralism

In relation to most other South Pacific island states, Vanuatu made quite extensive use of multilateralism in the pursuit of security and sovereignty related foreign policy objectives. This section will discuss Vanuatu's foreign policy actions at the global level and attempt to assess their contribution towards the country's objectives in the area of security and sovereignty. In doing so, examples will be drawn from Vanuatu's membership of and actions through multilateral organisations such as the United Nations,

Commonwealth and the NAM. However, the discussion in this section is structured based or focused on issues and not organisations. This means that the foreign policy actions of Vanuatu through several organisations regarding a single issue will be discussed before moving on to actions on the next issue through various organisations. For example, the section will discuss actions of Vanuatu through the Commonwealth, NAM and the United Nations on the issue of the security of small states before going on to discuss the actions of the country through these same organisations on the issue of decolonisation.

The membership of global organisations such as the United Nations and the NAM were very important in terms of symbolism in the assertion of Vanuatu's sovereignty. The membership of the United Nations for example, is considered by many as the ultimate symbol of sovereignty and independence of a state. The Commonwealth Consultative Group noted that, "it is only through the membership of the United Nations, where the principle of sovereign equality of all states is written into its constitution, that the right of a small state to have its independence and territorial integrity respected on the same legal terms as other nations is formally recognised".²⁰⁸ Vanuatu's membership of the United Nations therefore served to confirm the equality of the country with the other nations of the global community and acted as the psychological climax of the country's struggle for independence and sovereignty. Furthermore, gaining membership of the United Nations so quickly after independence was also a clear signal to the international community of Vanuatu's determination to assert its sovereignty and freedom. This signal was particularly strong because some Pacific island

²⁰⁸ Commonwealth Consultative Group, *Vulnerability*, op. cit., p. 70.

states such as Samoa joined the United Nations a long time after independence, while others like Kiribati, Tonga, Nauru and Tuvalu initially opted not to become members of the organisation.²⁰⁹

As a corollary of Lini government's espousal of non-alignment, Vanuatu gained membership of NAM in 1981. This was an organisation associated by many with radical states such as Cuba and perceived as opposed to the West.²¹⁰ Vanuatu's membership of NAM was therefore a radical move for an island state of the South Pacific since all the regional countries have traditionally maintained very close relations with the West. However, the membership of the organisation was important for Vanuatu at the symbolic level in contributing towards Lini government's objective of asserting the country's sovereignty. The membership was at a symbolic level an expression of Vanuatu's resolve to maintain an independent foreign policy. According to Natuman, who worked as a private secretary to Lini, the membership of NAM was aimed at making the statement that Vanuatu was an "independent country and can join any organisation it wants."²¹¹ Vanuatu's membership of NAM did indeed serve the latter purpose.

The membership of multilateral organisations such as the Commonwealth, the United Nations and the NAM also offered Vanuatu a cost-effective means to sensitise the international community on various issues and have the country's interests, grievances and problems heard. This was extremely important since financial and manpower constraints made it virtually impossible for Vanuatu or any

²⁰⁹ Samoa joined the United Nations in December 1976, some fourteen years after independence.

²¹⁰ J. Natuman, 'Vanuatu's Sovereignty in Jeopardy', in Van Trease (ed.), *Melanesian Politics*, op. cit., pp. 413-422.

²¹¹ Ibid., p. 414.

other small island state to effectively reach the global community through bilateral channels. The one stop exposure to the international community offered through multilateral forums enabled Vanuatu to further all four foreign policy objectives in the area of security and sovereignty, focused in this chapter, with varying degrees of success.

In Vanuatu's campaign against colonialism, the membership of multilateral organisations provided Lini-government with the opportunity to join forces with the other like-minded states in pushing for decolonisation world-wide. However, it was the continuation of colonialism in Vanuatu's neighbourhood that most seriously concerned Lini-government. The large international forums made accessible through the membership of global organisations provided Vanuatu the opportunity to voice its opposition to continuing colonialism especially in the South Pacific. For instance, in the address to the United Nations General Assembly in 1981, Lini argued:

It is a fact that some of our concerns are regional, based on support for what we regard in Vanuatu as a natural expectation held by those Pacific peoples still subject to colonial rule. That they have the right to be promptly granted a free and unfettered political determination is a principle we will not abdicate.²¹²

Furthermore, Lini went on to call on the United Nations community to support the principle of prompt decolonisation and unfettered political determination. In 1983, Vanuatu was instrumental in getting the Commonwealth to stress the need for the early

²¹² W. Lini's address to the United Nations, in *Pacific Islands Monthly*, November 1981, pp.35-36.

independence of New Caledonia.²¹³ The same year Vanuatu used the NAM forum to condemn Indonesian policies in East Timor.²¹⁴ While such condemnation by representatives of Lini government might not have any direct effect on the policies of the colonial powers, they served in furthering Vanuatu's objective of asserting the country's sovereignty and contributing to the global lobby against colonialism.

Vanuatu had more apparent success in its support for the Kanak struggle against French domination, than any other issue related to decolonisation. Under Vanuatu's initiative the South Pacific island states in 1986, raised at the United Nations, the issue of French colonialism in the South Pacific and sought to re-inscribe New Caledonia in the United Nations Decolonisation Committee's list of colonies.²¹⁵ The aim of the Pacific island states was to exert international pressure on France to relinquish its hold over New Caledonia. France which took New Caledonia off the list in 1947 vigorously opposed re-inscription.²¹⁶ Yet, the island states succeeded with 89 votes in their favour, 24 against and 34 abstentions.

The successful re-inscription of New Caledonia with the Decolonisation Committee has largely been ascribed to the support of the NAM member states lobbied by Vanuatu. Natuman has argued that if

²¹³ Commonwealth Secretariat, *Report of the Commonwealth Secretary-General 1987*, Commonwealth Secretariat, London, 1987, p. 4.

²¹⁴ Robertson, 'Vanuatu', op. cit., p. 625.

²¹⁵ Ibid., p. 623; Natuman, 'Vanuatu's Sovereignty', op. cit., p. 416; and Premdas & Howard, 'Vanuatu's Foreign Policy', op. cit., p. 184.

²¹⁶ K. Ross, *Regional Security in the South Pacific: The Quarter-Century 1970-95*, The Australian National University, Canberra, 1993, p. 138.

Vanuatu was not a member of the NAM the re-inscription of New Caledonia would have been more difficult to achieve.²¹⁷ He also noted that Vanuatu has often lobbied the member states of the NAM when regional countries needed to push certain issues at the United Nations. It demonstrated the usefulness of membership in multilateral organisations in furthering Vanuatu's foreign policy objectives, and in this case, placing New Caledonia on the United Nations Decolonisation Committee's list of colonies.

It would be fair to argue that the overwhelming support for the decolonisation of New Caledonia demonstrated by the United Nations member states contributed to a softening of the French position on the independence of New Caledonia. As Ganesh Chand has argued, "for France, public opinion meant nothing, unless it damaged French interests in the region", and the re-inscription of New Caledonia in the United Nation's list of colonies showed that public opinion, and the South Pacific island states mattered.²¹⁸

The international pressure on France together with heightening political conflict within New Caledonia were largely instrumental in the signing of the Matignon Accords of 1988 between the French Government, Front de Libération National Kanak et Socialiste (FLNKS), and Rassemblement pour la Calédonie dans la République (RPCR).²¹⁹ Under the Accords, a referendum was to be held in 1998 to

²¹⁷ Natuman, 'Vanuatu's Sovereignty', op. cit., p. 416.

²¹⁸ G. Chand, 'France and South Pacific Regionalism in the 1980s and 1990s', *Journal of Pacific Studies*, vol. 17, 1993, pp. 57-79.

²¹⁹ A useful discussion of Matignon Accords is in, D. Winslow, 'Kanak: Mid-way Point in the Matignon Accords', *Fourth World Bulletin*, July 1994, vol.3, no.3, 20 December 1998, online available: <http://carbon.cudenver.edu/fwc/Issue8/kanaky-1.html>, 7 April 1999. FLNKS is a pro-independence party dominated by Kanaks. RPCR is an anti-independence party dominated by the French in New Caledonia.

allow the people of New Caledonia to decide whether their country was to remain a part of French territory or become independent. However, instead of holding the said referendum the parties to the Matignon Accords decided to come to a negotiated settlement thereby signing the Noumea Accords, which set New Caledonia on the road to independence over a 20-year period.²²⁰ During this period, New Caledonia is to gradually receive greater autonomy although defence, currency, public order and some areas of foreign relations are to be excluded. At the end of the 20-year period a referendum by the people of New Caledonia is to be held to decide whether or not the country is to become independent.

Vanuatu's campaign for the decolonisation of the South Pacific had some negative side effects for the country. Lini's criticism of the Suharto regime for its policies in East Timor and West Papua for instance, led Indonesia to become critical of Vanuatu and its policies. Premdas and Howard have noted that Lini's criticisms, often in "extremely strong denunciatory language", led Suharto regime to react in warning against Vanuatu's foreign policies such as its ties with Cuba.²²¹ The tension between the two regimes did not lead to reprisals by Indonesia apart from criticism. However, provoking the hostility of any state, let alone a larger state, was not a prudent policy for a small island state like Vanuatu, especially when the issue in question was not directly related to the security or sovereignty of the country. Vanuatu's campaign for the decolonisation of New Caledonia also attracted French hostility in the form of threats to halt aid to the country as discussed in

²²⁰ An informal English translation of the Noumea Accords provided to the author by Mr. Paul A. Sami, Assistant Secretary, Asia Pacific Division, Department of Foreign Affairs, Vanuatu.

²²¹ Premdas & Howard, 'Vanuatu's Foreign policy', op. cit., p. 184; *Pacific Islands Monthly*, March 1984, p. 25, and May 1984, p. 59.

section 3.3c.²²² However, the issue of New Caledonia unlike East Timor and West Papua, was directly related to Vanuatu's security.

Vanuatu also used multilateral organisations to push for the denuclearisation of the South Pacific. Lini announced at the United Nations General Assembly in 1981 for example, that his country advocated with strong conviction that the "Pacific Ocean be free of nuclear contamination through the practice of dumping nuclear waste or the testing of nuclear weapons".²²³ The same year Vanuatu and other South Pacific island states lobbied the Commonwealth to condemn nuclear testing in the South Pacific.²²⁴ Since then, the Commonwealth member states on a number of occasions have reaffirmed their united opposition to nuclear testing.²²⁵ Despite such opposition through the Commonwealth and numerous United Nations' resolutions against nuclear testing, France continued until it had completed all her nuclear test related requirements. As such, while it is not possible to say that France ended its nuclear testing solely due to the effort made by Vanuatu and the international community, scholars have argued that international opposition was indeed a contributing factor in France calling off the tests early.²²⁶

The inability of the United Nations to effectively deal with nuclear testing demonstrates an inherent weakness of the organisation in dealing with powerful states. Some scholars have argued that this

²²² See pp. 186-187

²²³ Lini's address to the UN in 1981, op. cit.

²²⁴ *Pacific Island Monthly*, November 1981, p. 11.

²²⁵ See for example, Commonwealth Secretariat, *Report of the Commonwealth Secretary-General 1985*, op. cit., p. 4.

²²⁶ See for example, Commonwealth Advisory Group, *A Future For Small States* op. cit., p. 108.

obstacle would have come into play had Vanuatu relied on the assistance of the United Nations Security Council in resolving the secessionist revolt in the country. In fact Vanuatu requested for the assistance of the United Nations in dealing with the secessionist rebellion. However, the request did not find its way onto the Security Council's agenda. As Norman MacQueen has noted, even if the request did find its way onto the agenda of the Security Council, it was unlikely to have been successful because France would have vetoed it.²²⁷

2.3b - Regionalism

Most of the security and sovereignty related interests of Vanuatu such as denuclearisation and decolonisation lay within the South Pacific region. The nature of these interests is such that most of them could be successfully realised only through a joint effort by the regional states. This section will try to assess the significance of regionalism in contributing towards the foreign policy objectives of Vanuatu in the area of preserving and enhancing security and sovereignty.

The establishment of a South Pacific Nuclear Free Zone (SPNFZ) was among the foreign policy objectives pursued by Vanuatu through the SPF. The idea of setting up a SPNFZ was first discussed at the SPF in 1975 under a New Zealand initiative, before Vanuatu joined the

²²⁷ N. MacQueen, 'Beyond Tok Win: The Papua New Guinea Intervention in Vanuatu, 1980', *Pacific Affairs*, vol. 61, no. 2, Summer 1988, pp. 235 - 252.

organisation.²²⁸ Then the SPF decided to gain the endorsement of the United Nations before a formal declaration of a nuclear free zone in the region. Resolution 3477 of the United Nations General Assembly endorsed the SPNFZ idea by a vote of 110 to 0 and 20 abstentions.²²⁹ Despite the endorsement, the defeat of the Labour governments in both Australia and New Zealand in late 1975 led the SPNFZ idea to lose its previous priority.

Vanuatu's membership of the SPF in 1981 revived the SPNFZ idea within the organisation. One of the very first steps taken by Vanuatu at the SPF was to present to the organisation in 1981 a proposal for the establishment of a nuclear free zone in the region. Vanuatu's proposal received the support of some Forum island states such as Papua New Guinea but was rejected by Australia and New Zealand, the two developed countries within the organisation.²³⁰ It demonstrated the heterogeneity and conflicts of interest within the region. The SPNFZ idea however survived.

In 1982 Lini government further publicised the nuclear free zone issue within the South Pacific by denying diplomatic clearance for two navy frigates from the United States to enter into Vanuatu's territory.²³¹ The incident occurred when the United States' government refused to reveal to Vanuatu authorities whether or not the frigates in question were carrying nuclear weapons. Vanuatu being a strong advocate of SPNFZ and having a national law prohibiting on its soil nuclear weapons, nuclear power, nuclear

²²⁸ Ogashiwa, *Micro States and Nuclear Issues*, op. cit., pp.23-24; Robie, *Blood on their Banner*, op. cit., p. 147.

²²⁹ Ibid., p. 27.

²³⁰ Ibid.

²³¹ 'Are there 'nukes' aboard? Vanuatu says 'no' to visit of U.S. warships', in *Pacific Islands Monthly*, March, 1982, p. 17.

waste dumping and the passage within its waters of nuclear powered ships, refused clearance for the frigates.²³²

Robertson has argued that while Vanuatu's actions of 1982 publicised the issue of a SPNFZ it also encouraged Australia to pre-empt any growth in radicalism that might harm Western military interests within the region.²³³ Australia did so by supporting a tame treaty, which, while appearing to support Pacific island concerns, actually allowed the nuclear status quo to be substantially maintained in the region. At the fifteenth Forum meeting in Tuvalu in 1984, member countries agreed in principle to the Australian proposal for a SPNFZ resulting in the Treaty of Rarotonga.²³⁴

The Treaty of Rarotonga or the SPNFZ Treaty was signed by eight regional states on 6 August 1985 and entered into force on 11 December 1986.²³⁵ The treaty covered large ground. Articles 3, 5 and 6 of the Treaty, for example, required parties to renounce nuclear explosive devices inside and outside the region and prevent nuclear testing and the stationing of nuclear weapons within the SPNFZ. The Treaty also included three protocols to which non-regional states could accede. Protocol 1 of the Treaty was open for Britain, France and the United States, requiring them in respect of their territories within the SPNFZ, to accept the prohibitions contained in paragraphs 3, 5 and 6, of the Treaty. Protocol 2 and 3 were open to all five nuclear powers in the world then. Protocol 2 required signatories to refrain from using nuclear weapons against any party

²³² Premdas & Howard, 'Vanuatu's Foreign policy', op. cit., p. 184.

²³³ Robertson, 'Vanuatu', op. cit., p. 623.

²³⁴ R. Thakur, 'Nuclear-Weapon-Free South Pacific: A New Zealand Perspective', *Pacific Affairs*, vol. 58, no. 2, 1985, pp. 216-238.

²³⁵ The text of the treaty is in Ogashiwa, *Micro States and Nuclear Issues*, op. cit., pp. 75-85.

to the Treaty and not to contribute to any act that constituted a violation of the Treaty. Protocol 3 committed signatories not to test nuclear weapons within the SPNFZ. Although the latter protocol was open to all five nuclear powers it was directed against France which was the only power conducting nuclear tests in the region. China signed protocols 2 and 3 on 10 February 1987 and the Soviet Union signed them on 15 December 1987. France, Britain and the United States signed the three protocols nine years later on 25 March 1996.

Eleven SPF countries became party to the SPNFZ Treaty by 1987 but Vanuatu was not among them. The South Pacific island states that did not sign the Treaty in the 1980s were Vanuatu and Tonga. Vanuatu attended all the working group meetings held to draw up the treaty but declined to sign it on the grounds that the treaty was not comprehensive enough.²³⁶ In contrast to Vanuatu's perception of a nuclear free zone, the Rarotonga Treaty left it open for individual states to decide whether to allow nuclear powered and armed ships and aircraft to enter their territories. Lini blamed the Australian government for political expediency in pushing through the SPNFZ Treaty.²³⁷ Asked why Vanuatu did not obstruct the necessary consensus within the South Pacific Forum, to frustrate the signing of the treaty, Mr. Kalotiti said that it was in the "Pacific spirit" that his country allowed the treaty to be signed.²³⁸

The limitations of the SPNFZ Treaty or Vanuatu's refusal to sign the treaty did not indicate a total failure of the foreign policy of

²³⁶ *Pacific Islands Monthly*, April 1986, p. 17. Tonga's reason for not signing the treaty was the very opposite of Vanuatu's.

²³⁷ Ibid.

²³⁸ Interview with Mr. Kalotiti, op. cit.

Lini government. On the contrary, the Rarotonga Treaty formalised the non-nuclear status of South Pacific states, which was an important contribution in itself to Vanuatu's foreign policy. Further, the Soviet Union and China signed the protocols to the Treaty in 1986 and 1987 respectively, assuring that they do not pose a nuclear threat to the region.

Vanuatu's refusal to sign the Treaty demonstrated the country's strong views on the issue of nuclear weapons. Such foreign policy stances of Vanuatu greatly enhanced the country's image, especially among the developing countries.²³⁹ Furthermore, Britain, France and the United States eventually acceded to the Treaty Protocols in 1996. Therefore as one senior Melanesian diplomat argued, the Treaty was "half a loaf" which was better than none.²⁴⁰ Overall, the policy of sustained resolute opposition to nuclear testing by the South Pacific countries through initiatives such as the Rarotonga Treaty is held by many as a crucial element of world wide opposition which contributed to an early end to the tests by France.²⁴¹

Vanuatu signed the SPNFZ Treaty in September 1995 under an UMP government led by Maxime Carlot Korman. The position of the UMP on the issue of nuclear testing was very different to that of the VP. Serge Vohor for example, in discussing the UMP foreign policy, referred to denuclearisation of the South Pacific as "nonsense".²⁴² However, given the strong local and international opposition to

²³⁹ Natuman, 'Vanuatu's Sovereignty', op. cit., p. 414.

²⁴⁰ *Pacific Islands Monthly*, September 1986, p. 35.

²⁴¹ Commonwealth Advisory Group, *A Future for Small States*, op. cit., p. 108.

²⁴² Vohor, 'UMP Foreign Policy', op. cit., pp. 177.

nuclear testing, the UMP announced in 1995 its opposition to France's decision to renew nuclear testing in the South Pacific.²⁴³

Regionalism proved useful for Vanuatu in furthering some aspects of its objective of decolonisation. The SPF on the one hand, provided a sympathetic arena for Vanuatu's campaign against colonialism. This sympathy stemmed from the fact that most of the island states of the region had experienced some form of colonialism in the past. Yet on the other hand, the colonial experiences of Vanuatu and the rest of the regional countries were very different and so were the enthusiasm and commitment to the cause of decolonisation. As such, while Vanuatu managed to get some regional support for its campaign against colonialism in New Caledonia, Vila was largely a lone voice in the region in supporting the East Timorese and West Papuan struggles against Indonesian rule. The Solomon Islands has from time to time expressed misgivings in the United Nations General Assembly about the Indonesian policy in East Timore.

In supporting the Kanak struggle for independence, Vanuatu managed in 1983 to convince the SPF to issue a joint communiqué supporting self-determination in New Caledonia.²⁴⁴ Such collective opposition to colonialism was important both to persuade France to relinquish its hold on New Caledonia and as moral support for the Kanak liberation movement itself. Furthermore, collective action was necessary in gaining international support for the cause.

²⁴³ Henningham, *The Pacific Island States*, op. cit., p. 41.

²⁴⁴ R. Keith-Reid, 'Death Knell at the Forum', *Island Business*, 1983, vol. 9, no. 10, pp. 16-19.

Vanuatu needed the support of the regional and international community in its aim to re-inscribe New Caledonia in the United Nations Decolonisation Committee's list of colonies, discussed earlier under multilateralism. The initial response of the SPF to Vanuatu's proposal of petitioning the United Nations to re-inscribe New Caledonia was not positive. In both 1984 and 1985, the idea was rejected by the SPF.²⁴⁵ However, the policies of the newly elected conservative government of France led by Prime Minister Jacques Chirac, which resulted in the deterioration of the political situation in New Caledonia, made conditions more conducive for Vanuatu to influence the SPF on the issue of decolonisation.

In lobbying the SPF to petition the United Nations for the inclusion of New Caledonia in the list of colonies Vanuatu had the support of the Melanesian Spearhead Group (MSG). Since Kanaks were Melanesians Vanuatu found more enthusiasm for the decolonisation of New Caledonia among the Melanesian states including Papua New Guinea and Solomon islands than the rest of the regional countries. At the MSG meeting in Port Vila in 1985, Solomon Islands, Papua New Guinea and Vanuatu reaffirmed the legitimate right of the Kanak people to independence and pledged to push the SPF to re-inscribe New Caledonia in the United Nations Decolonisation Committee's list of colonies.²⁴⁶ The change in France's policy on New Caledonia and heavy lobbying by Vanuatu and the rest of the MSG succeeded in 1986 in persuading the SPF to petition the United Nations on the issue of New Caledonia. As discussed earlier the joint effort by the South Pacific island states was successful in placing New Caledonia on the Decolonisation Committee's list of colonies.

²⁴⁵ *Keesing's Contemporary Archives*, vol. XXXI, September 1985, p. 33855.

²⁴⁶ Robie, *Blood on their Banner*, op. cit., p. 134.

While regionalism and sub-regionalism proved useful for Vanuatu in advancing the Kanak cause the same cannot be said of supporting other liberation movements. Lini's attempts to persuade the Pacific island states to adopt Vanuatu's internationalist views and support liberation movements within the international community did not succeed.²⁴⁷ As for the question of East Timor and Irian Jaya, most of the South Pacific island states perceived Jakarta as having a legitimate right to impose its will on these territories.²⁴⁸ Even the members of the MSG had no inclination to support the liberation movements in East Timor and Irian Jaya. Papua New Guinea that shared its border with Irian Jaya was strictly against any action that might damage relations with its bigger and more powerful neighbour, Indonesia. Papua New Guinea's Foreign Minister, Akoka Doi, noted in 1986 that as far as his country was concerned the inclusion of West Papua within Indonesia was a "mistake done by colonial powers so let it stay as it is".²⁴⁹

Regionalism also was a useful avenue through which Vanuatu could, if willing, deal with the threat of transnational crime such as drug trafficking and money laundering. The South Pacific region consists of a number of small island states and all of them face the common threat of transnational crime. It is a threat that individual countries cannot single-handedly defend against. Vanuatu along with other South Pacific island states have on many occasions expressed concern over the continuing threat from criminal elements, some of which had sought to take advantage of rapid developments in

²⁴⁷ Robertson, 'Vanuatu', op. cit., p. 623.

²⁴⁸ Henningham, *The Pacific Island States*, op. cit., pp. 53.

²⁴⁹ MacQueen, 'Beyond Tok Win', op. cit., p. 241.

technology.²⁵⁰ Several regional specialist bodies have also been created in the South Pacific to protect against such crime. Vanuatu is a member of a number of these bodies including Customs Heads of Administration Regional Meeting (CHARM), Pacific Islands Law Officers Meeting (PILOM) and the South Pacific Chiefs of Police Conference (SPCPC) through which regional countries are trying to co-ordinate and strengthen their policing and law enforcement activities in the area of transnational crime. In 1988 a Forum Regional Security Committee was also set-up largely to oversee the effective co-ordination of regional law enforcement amongst specialist agencies while at the same time providing a mechanism for urgent regional consultations.²⁵¹

Furthermore, the Twenty-Third SPF Meeting held in Honiara in 1992 adopted a Declaration on Law Enforcement Co-operation, also known as the Honiara Declaration, in recognition of the threats posed to the stability of the region by increased criminal activity. In 1997, regional states adopted the Aitutaki Declaration on Regional Security Co-operation. Under this declaration the SPF countries decided to further develop regional mechanisms for preventative diplomacy; strengthen the Forum Regional Security Committee to consider, among other things, a regional approach to transnational crime in the South Pacific; and develop emergency response procedures for the region's security forces.²⁵² Such co-operation is essential in minimising the vulnerabilities and enhancing the

²⁵⁰See for example, SPF, 'Communiqué of the Twenty-Seventh SPF', Majuro, 3-5 September 1996.

²⁵¹SPF, 'Communiqué of the Twenty-Eighth SPF', Rarotonga, 17-19 September 1997, paragraph 23.

²⁵²Aitutaki Declaration on Regional Cooperation, in SPF, 'Communiqué of the Twenty-Eighth South Pacific Forum', Rarotonga, 17-19 September 1997, annex two.

security and sovereignty of regional small island states such as Vanuatu.

Despite these developments at the regional level and Vanuatu's membership in a number of those organisations the sincerity of the country in combating transnational crime is questionable. For instance during the past three years Vanuatu did not attend the meetings of the Regional Security Committee. The financial burden of paying for the airfare of the delegate attending the meeting has been cited as the reason for the failure to participate.²⁵³ This is a flimsy excuse given the fact that Vanuatu is one of the most seriously at risk of being targeted by transnational crime in the region, and a single air ticket would definitely be within the means of the country. Moreover allegations of corruption and fraud at the top ranks of the country's bureaucracy are common in Vanuatu and the government is encouraging foreign companies to Vanuatu's tax haven with full knowledge that some of them would be involved in illegal business such as money laundering.²⁵⁴

2.3c - Bilateralism

Vanuatu has extensively employed bilateralism in the pursuit of its foreign policy objectives. While Vanuatu's use of bilateralism had its benefits it also incurred costs for the country. It is the aim

²⁵³ Interview conducted by this author with Mr. Paul A. Sami, Assistant Secretary, Asia Pacific Division, Department of Foreign Affairs of Vanuatu, Port Vila, 4 February 1999, (unpublished).

²⁵⁴ See *Pacific Islands Monthly*, January 2000, p.32, for an article on money laundering in Vanuatu. Vanuatu government's efforts to promote the country's tax haven is discussed in, *Pacific Islands Monthly*, August 1984, pp. 36-37. The issue of corruption by top officials of the government is discussed in *Pacific Islands Monthly*, January 2000, p. 14.

of this section to assess the significance of bilateralism in contributing towards Vanuatu's foreign policy goal of enhancing security and sovereignty.

It did not take long after independence for Vanuatu to realise the value of some bilateral partners in preserving and enhancing its security and sovereignty. As mentioned before when Vanuatu received its independence the Santo rebellion was threatening to rip the country in two. Lini imposed a blockade of Santo on 30 May but was in no position to suppress the revolt without external assistance. Requests for assistance from Britain and France proved futile. While France was not interested in assisting the Lini-government, Britain was reluctant to provoke French hostility by sending in troops. However, as violence became rampant the British and the French agreed to send troops to save face within the international community and to avoid unilateral action by any one state. Their troops that arrived in Vanuatu did not act to put down the revolt.²⁵⁵

The unwillingness of the British and the French forces to defuse the revolt led Vila to seek assistance from other sources. As mentioned earlier Vanuatu approached the United Nations for assistance, but the request did not make it to the Security Council. Vanuatu also looked to the Ninth SPF Meeting for assistance. The Forum's response was limited to a resolution tabled by the Australian Prime Minister, Malcolm Fraser, calling on Britain and France "to use all means within their authority" to end the rebellion.²⁵⁶

²⁵⁵ M. Gubb, *Vanuatu's 1980 Santo Rebellion: International Responses to a Microstate Security Crisis*, Strategic and Defence Studies Centre, Australian National University, Canberra, 1994, p. 16.

²⁵⁶ J. Beasant, *The Santo Rebellion: An Imperial Reckoning*, University of Hawaii Press, Honolulu, 1984, p. 119; *Keesing's Contemporary Archives*, 2, January 1981, p. 30643.

At that time of need, Papua New Guinea came to Vanuatu's rescue by agreeing to send in troops to help suppress the revolt.²⁵⁷ On Papua New Guinea's insistence Australia, which was very reluctant to get embroiled in the situation, agreed to provide transport aircraft and personnel for non-combat roles.²⁵⁸ Papua New Guinea's "Kumul Force" with logistical support from Australia, arrived in Vanuatu on the 18 August 1980. Within two weeks of arrival, the Kumul Force succeeded in suppressing the revolt and arresting the rebel leaders involved. Mission completed Papua New Guinean troops left Vanuatu in mid-September.

Again in 1988 Vanuatu had to seek the assistance of its bilateral partners following riots in Port Vila which threatened to run out of control. The riots which began on 16 May 1988 were instigated by land issues including the closure of the lease administering Vila Urban Land Corporation (VULCAN) which was under investigation for financial irregularities; but was also connected to the bitter power struggle between Lini and Barak Sope, the Secretary General of VP.²⁵⁹ A small group of the rioters went on a rampage through the streets of Port Villa, smashing windows, and looting shops causing an estimated damage of A\$2 million.²⁶⁰ Faced with the riot, Lini made an urgent appeal to Australia and New Zealand on 19 May, for equipment to re-supply the police and the 250 strong Vanuatu Mobile Force

²⁵⁷ Gubb, *Vanuatu's 1980 Santo Rebellion*, op. cit., p. 20.

²⁵⁸ Ibid.

²⁵⁹ The incident is discussed in detail in H. Van Trease, 'Years of Turmoil: 1987- 91', in Van Trease (ed.), *Melanesian Politics*, op. cit., pp. 73-80; Gubb, *Vanuatu's 1980 Santo Rebellion*, op. cit., pp. 47-52; Henningham, *The Pacific Island States*, op. cit., pp. 139-140.

²⁶⁰ Van Trease, 'Years of Turmoil', op. cit., p. 78.

(VMF). Both countries obliged promptly by sending supplies including riot control equipment.

Furthermore, the provision of more substantive military assistance was also considered by Australia, New Zealand and Papua New Guinea. Canberra and Wellington assured Lini that in case of an emergency his request for direct assistance in the form of troops would be sympathetically received.²⁶¹ Contingency plans were also made by Australia, New Zealand and Papua New Guinea for direct assistance to Vanuatu including the possible dispatch of Papua New Guinean police in Australian aircraft.²⁶² None of these were eventually necessary as Vanuatu's police and VMF managed to bring the situation under control.

These two incidents discussed above underline the significance of Melanesian neighbours such as Solomon Islands and Papua New Guinea and other regional countries such as Australia and New Zealand, to the security and sovereignty of Vanuatu. In the Santo incident, Vanuatu's Melanesian neighbour, Papua New Guinea, extended its assistance despite considerable opposition from Fiji and Polynesian states in the SPF.²⁶³ This opposition stemmed from the fear that the incident could set a precedent for foreign military intervention in regional states. MacQueen has noted that the only country that expressed unconditional support for the proposed intervention by Papua New Guinea was Vanuatu's other Melanesian neighbour, Solomon Islands.²⁶⁴ However, the Solomon Islands itself was not in a position

²⁶¹ Gubb, *Vanuatu's 1980 Santo Rebellion*, op. cit., p. 49.

²⁶² Ibid.

²⁶³ N. MacQueen, 'Sharpening the Spearhead: Subregionalism in Melanesia', *Pacific Studies*, vol. 12, no. 2, March 1989, pp. 33-52.

²⁶⁴ MacQueen, 'Beyond Tok Win', op. cit., p.244.

to contribute to the effort in terms of material assistance. Papua New Guinea was also involved in assisting Vanuatu during the incident of 1988 discussed above.

Furthermore, the two incidents also proved the importance of regional powers like Australia and New Zealand for the preservation and enhancement of the security and sovereignty of Vanuatu. Australia and New Zealand are the best equipped in the South Pacific in terms of resources and military capability making their support and involvement very important in any military operation within the region. Even in the Santo incident, it was only with the backing of Australia that Papua New Guinea intervened in Vanuatu. In 1988, Australia and New Zealand took the lead in assisting Vanuatu.

The recurrence of incidents such as those discussed above are a very real threat for Vanuatu. This threat is underlined by more recent events such as the abduction of the country's President Jean-Marie Leye Lenelcau Manatawai in October 1996, by 138 members of the country's 300-strong paramilitary force, over a dispute regarding back pay and allowances.²⁶⁵ The potential for such instability in the future makes bilateral partners such as the Melanesian neighbours, Australia and New Zealand, very important with respect to Vanuatu's foreign policy goal of preserving and enhancing security and sovereignty.

As mentioned in section 2.3a on multilateralism, the overall bilateral policy of the Lini government was largely based on the philosophy of non-alignment. This policy was dictated by the need to

²⁶⁵ *The World of Information*, op. cit., p. 193.

maintain an independent foreign policy and thereby assert Vanuatu's sovereignty. Based on the philosophy of no-alignment Vanuatu established diplomatic relations with a broad array of states from varied geographical and ideological backgrounds. The countries that were placed in Vanuatu's diplomatic fold included those such as Australia, New Zealand, Britain, France, West and East Germany, Vietnam, North Korea, Nicaragua, and China.²⁶⁶ During the first ten years of independence Vanuatu established diplomatic relations with 72 states.²⁶⁷

Some of Vanuatu's diplomatic connections created much concern and apprehension in certain quarters of the region. For instance, the establishment of diplomatic relations with Cuba in 1983 is said to have "set an alarmist cat among the South Pacific pigeons".²⁶⁸ Some regional countries felt that Vanuatu was thoughtlessly leading the South Pacific into danger.²⁶⁹ Lini government defended the relationship as a matter of reciprocity.²⁷⁰ Cuba was supportive of Vanuatu's quest for independence and as far as Lini government was concerned it was time for Vanuatu to show its appreciation. This policy of establishing diplomatic relations based on the principle of non-alignment was important in furthering the country's objective of asserting its sovereignty.

In pursuance of its non-aligned policy Vanuatu did not establish diplomatic relations with any of the superpowers until 1986.

²⁶⁶ Hoadley, *The South Pacific*, op.cit., p. 207.

²⁶⁷ Interview with Mr. Kalotiti, op. cit.

²⁶⁸ *Pacific Islands Monthly*, March 1984, p. 25.

²⁶⁹ *Ibid.*; *Pacific Islands Monthly*, May 1984, p. 59.

²⁷⁰ Natuman, 'Vanuatu's Sovereignty', op. cit., p. 415. Cuba chaired the UN Decolonisation Committee when the case of New Hebrides was taken up.

Moreover, Lini government wanted to maintain a superpower balance in the region. At the Commonwealth Summit in 1982 for example, Lini criticised the "excessive" US presence in the South Pacific and suggested that in the interest of balance he would be willing to extend port facilities to Soviet vessels.²⁷¹ This offer was a strong assertion of sovereignty but conflicted with the general Western policy of "strategic denial" and was met with criticism by the Australian Defence Minister, Ian Sinclair.²⁷²

The concerns of Australia, New Zealand and some other regional states were heightened in 1986 when Vanuatu established diplomatic relations with the Soviet Union. Furthermore, in 1987 Vanuatu signed a fishing agreement with the Soviet Union amidst warnings by regional states of the danger of regional destabilisation by the Soviets.²⁷³ Vanuatu defended the agreement as motivated purely by economic reasons. Lini government further argued that as an independent nation Vanuatu had the right to deal with any state it wanted.²⁷⁴ *Pacific Islands Monthly* noted that New Zealand's initial worries about the agreement dissipated after Prime Minister Lange spoke with Lini at the next SPF Meeting.²⁷⁵

The establishment of diplomatic relations between Vanuatu and Libya in 1986, shortly after the bombing of Tripoli by the United States, also caused regional apprehension. The link with Libya was a result

²⁷¹ *Keesing's Contemporary Archives*, vol. XXX, April 1984, p. 32789.

²⁷² *Ibid.*; Concerns of Australia and New Zealand regarding Soviet influence in the region are discussed in, J.C. Dorrance, 'Soviet Union, China and the Pacific Islands', in J.C. Dorrance, et al, *The South Pacific: Emerging Security Issues and U.S. Policy, Special Report 1990*, Brassey's (US), Inc., Washington, 1990, pp. 66-92; Robertson, 'Vanuatu', op. cit., pp. 638-644.

²⁷³ Henningham, *The Pacific Island States*, op. cit., p. 95.

²⁷⁴ *Pacific Islands Monthly*, March 1987, p. 5.

²⁷⁵ *Ibid.*

of personal contacts between the VP Secretary, Barak Sope, who was one of the most radical within the party, and the Libyan leader.²⁷⁶ The normal procedure for the establishment of diplomatic relations was bypassed by Sope who passed a resolution through the VP Executive Council to instruct the government to establish diplomatic relations with Kaddafi's regime.²⁷⁷ Natuman has noted that the government was not very comfortable with the decision but went along with it and that Libya's attraction to some party leaders was Kaddafi's support for decolonisation world-wide.²⁷⁸

Libya was in fact one of the few countries from which Vanuatu could find support for its quest for decolonisation with respect to Irian Jaya and East Timor. In an interview with the author, the Acting Director of the Department of Foreign Affairs of Vanuatu, Mr. Belleay Kalotiti, noted that Libya was one of the countries with which Vanuatu was "working secretly, meeting in Europe and other places" in trying to enlist East Timor and West Papua with the Decolonisation Committee of the United Nations.²⁷⁹ Kalotiti did not name the other countries involved in the secret effort but stated that they were members of the NAM.

Some other considerations that could have been instrumental in the establishment of diplomatic relations with Libya could be discerned from Vanuatu's foreign policy. Links with a radical anti-Western state like Libya could have been seen as a way of asserting Vanuatu's sovereignty and independence in foreign policy and also

²⁷⁶ Natuman, 'Vanuatu's Sovereignty', op. cit., p. 415.

²⁷⁷ Normally initiatives to establish diplomatic relations with particular countries come from the government through the Ministry of Foreign Affairs.

²⁷⁸ Ibid.

²⁷⁹ Author's interview with Mr. Kalotiti, op. cit.

counter-balancing western influence in the region. Relations with Libya could also have been perceived as a means for obtaining development aid. Hegarty has noted that the possibility of obtaining Libyan finance for joint ventures, direct investment and aid could have been among the considerations for establishment of relations with Libya.²⁸⁰ Barak Sope was identified by Hegarty as an entrepreneur-cum-power broker who is said to have a keen eye for a business deal, an aspect of his career that attracted criticism from some Pati supporters.²⁸¹

Unfortunately for Barak Sope and Vanuatu, the relationship with Libya did not realise any substantial assistance or succeed in placing East Timor and West Papua on the United Nations' list of colonies. Instead, the relationship created regional apprehension and discontent regarding Vanuatu's foreign policy.

In April 1987, Libyan plans to open a Peoples' Bureau in Vila led to an outcry in the South Pacific particularly in New Zealand and Australia.²⁸² Prime Minister Hawke accused Libya of attempting to set up a permanent base in Vanuatu to further penetrate and destabilise the region. He also accused Libya of offering \$29,000,000 in aid to Vanuatu in return for permission to open its Bureau. Australian Foreign Minister, Bill Hayden, even flew to New Zealand for secret talks with the New Zealand Prime Minister, David Lange. According to Robertson the journalists covering the event maintained that the two leaders were concerned that a pro-Libyan faction led by Barak Sope

²⁸⁰ D. Hegarty, *Libya and the South Pacific*, working paper no. 127, Australian National University, Canberra, 1987, p. 18.

²⁸¹ Ibid.

²⁸² *Keesing's Contemporary Archives*, vol. XXXIII, p. 35325.

was about to seize power from Lini, who was still recuperating from a stroke suffered in February that year.²⁸³

Vanuatu defended its policy on the grounds that the country had the right to decide its foreign relations and that the relationship with Libya was in line with the country's policy of non-alignment and the diversification of the sources of aid and economic co-operation.²⁸⁴ Furthermore, the heavy criticism by Prime Minister Hawke led Lini to ban Australian military vessels and aircraft from entering Vanuatu's territory.

The total breakdown in relations with Australia was counter-productive to the foreign policy of Vanuatu. As discussed before, Vanuatu had to seek Australia's assistance from time to time in the protection of its sovereignty. Moreover, Vanuatu was also heavily dependent on aid and the loss of a donor like Australia could seriously affect the country's socio-economic development.²⁸⁵ In other words, by breaking relations with Australia, Vanuatu failed to exercise the caution necessary of a small island state in ensuring that the overall foreign policy goals of the country were not placed at stake.

Faced with strong regional opposition and the threat to Vanuatu's foreign aid the Lini government quickly expelled the two Libyans who arrived in Port Vila to set-up the Peoples Bureau.²⁸⁶ Vanuatu's

²⁸³ Robertson, 'Vanuatu', op. cit., p.627.

²⁸⁴ S. Arutangai, 'Post-Independence Developments and Policies', Van Trease, *Melanesian Politics*, op. cit., pp. 59-71.

²⁸⁵ Australia's assistance to Vanuatu is discussed in section 3.3c.

²⁸⁶ Hegarty, *Libya*, op. cit., p. 14; *Keesing's Contemporary Archives*, vol. XXXIV, May 1988, p. 35907.

explanation for the expulsion was that the Libyans breached diplomatic protocol by arriving unannounced and without proper accreditation. The ban on Australian military vessels was also lifted within two weeks of its placement. Furthermore, Vanuatu announced the decision to postpone the establishment of the Peoples Bureau indefinitely. Foreign Minister of Vanuatu, Sela Molisa, denied that the move was prompted by pressure from regional countries.²⁸⁷ Lini maintained that Libya and Vanuatu would continue to enjoy a close relationship.²⁸⁸

Since the end of the Libyan episode the Lini-government moderated its foreign policy and did not assert its sovereignty in ways that provoked regional apprehension and controversy. This change has largely been ascribed to infighting within the VP between Lini who was ailing from a stroke suffered in 1987 and Barak Sope who led the radical wing of the party.²⁸⁹ Sope was eventually forced out of the VP in mid-1988.

The UMP, which came to power in 1991, did not have the radical trappings of the VP government of early 1980s.²⁹⁰ The UMP considered the former government's policy of non-alignment to have "ceased to be an issue because of the changes which have taken place in the world", and did not intend to associate with radical regimes.²⁹¹ However, UMP has shown a readiness to assert Vanuatu's sovereignty

²⁸⁷ *Pacific Islands Monthly*, July 1987, p. 19.

²⁸⁸ *Keesing's Contemporary Archives*, vol. XXXIII, August 1987, p. 35325.

²⁸⁹ Henningham, *The Pacific Island States*, op.cit., p. 40.

²⁹⁰ The foreign policy of Vanuatu under Vohor and Korman are discussed in S. Vohor, 'UMP Foreign Policy'; M.C. Korman, 'Time for a change'; and Van Trease, 'Epilogue:1992-95'; in Van Trease (ed.), *Melanesian Politics*, op.cit., pp. 175-180, 167-174, and 435-450 respectively.

²⁹¹ Vohor, 'UMP Foreign Policy', op. cit., p.179.

even if it meant challenging its larger neighbours such as Australia, if the need arose. In July 1992 for example, the Korman government expelled the acting Australian High Commissioner, James Pearson, on the grounds that he improperly interfered in the internal affairs of Vanuatu by speaking strongly about a proposed legislation, at a UMP meeting at which he was an observer.²⁹² Australia's support for the previous government of Vanuatu under VP probably played a part in this drastic measure by the UMP. Attempts by Australian Foreign Minister Evans to resolve the issue through discussion with Korman failed in part because of the use of undiplomatic language according to Vila.²⁹³ Consequently, a planned Australian navy visit and other official visits during the year were cancelled. However, Australia's desire to retain its links with its neighbouring states and Vanuatu's need for cordial relations with its most important aid donor, Australia, led relations between the two countries to get back on track by the end of the year.

In the area of transnational crime Australia has been sharing intelligence and providing technical assistance under the Defence Co-operation Program.²⁹⁴ New Zealand also has a Mutual Assistance Program under which technical and other assistance is provided to Vanuatu's police.²⁹⁵ According to Kalotiti, a joint effort is underway by Australia, New Zealand, the United States and Vanuatu in tackling the threat of transnational crime, especially money laundering.²⁹⁶ However these programs can be effective only if

²⁹²Henningham, *The Pacific Island States*, op. cit., p. 132.

²⁹³Ibid.

²⁹⁴Interview conducted by the author with Mrs. Susan Cox, First Secretary, Australian High Commission, Port Vila, 4 February 1999.

²⁹⁵English News - 26/08/98, online available:

<http://www.vol.com.vu/VanuatuWeeklyPages/English980826.html>, 15 February 1999.

²⁹⁶Interview conducted by the author with Mr. Kalotiti, op. cit.

Vanuatu is committed to the cause of combating transnational crime and this does not seem to be the case at the moment.

2.4 - Maldives' Foreign Policy Objectives

This section will focus on three foreign policy objectives of the Maldives in the area of preserving and enhancing security and sovereignty. These objectives include the assertion of sovereignty; supporting the establishment of a SANWFZ and an IOZOP; and combating the threat of transnational crime. It is the aim of this section to outline the nature of the said objectives. However, before proceeding to do so, some possible influences on the Maldivian elite who were instrumental in fashioning the foreign policy of the country will be briefly discussed below.

Gayoom, who continues to rule the country since 1979 attended Al Azhar University in Cairo during the 1960s.²⁹⁷ Foreign Minister Jameel who has been serving as the Foreign Minister since 1977 also attended the University with Gayoom. There they were exposed to Arabic language and culture, views, ideas and influences prevailing in Egypt. Then Egypt under Jamal Abdul Nasser, was the hotbed of nationalism in the Middle East. Non-alignment was among the fundamental tenets of Nasser's political ideology. Such influences were manifest in the foreign policy of the Maldives as demonstrated by the close links with Arab countries, the strong nationalist tendencies in foreign policy, and the advocacy of non-alignment.

²⁹⁷ Al Azhar University is one of the oldest and most respected Universities in the Islamic world.

However, one should not disregard the strong influence of the Maldives' history itself on the country's foreign policy. Thus historical aspects that have relevance to the understanding of foreign policy of the country will be discussed in this thesis.

2.4a - Assertion of sovereignty

As in the case of Vanuatu, the historical experience and the small size of the Maldives were largely responsible for the country's desire to assert its sovereignty. Although the Maldives was not a colony, it had an unpleasant experience as a British protectorate. Consequently, on independence the assertion of sovereignty became one of the foreign policy objectives of the country.

The Maldives became a British protectorate in 1887. The relationship between the two countries remained relatively trouble free until the 1950s. This was probably because there was not much interaction between the two countries during that period. The British did not maintain a resident mission in the Maldives and virtually left the country alone. However, as discussed in Chapter I, Britain's decision to reactivate the airforce base in Addu Atoll and the subsequent agreement of 1956 marked the beginning of strong anti-British sentiments in the Maldives. These sentiments were particularly strong in Male'. The agreement was perceived in the

Maldives as a violation of the country's sovereignty and tantamount to an illegal occupation of Addu Atoll.²⁹⁸

Male's resentment of the British was further heightened when the secessionist revolt broke out in the Southern atolls. Despite the lack of direct evidence of British complicity, the circumstances surrounding the revolt made it difficult to believe that Britain was innocent. For instance, most of those involved in the revolt were in the employment of the British Royal Airforce; The British had strong connections, presence and influence in the region; and the secession was timely for the British in weakening the bargaining position of the Maldives in the negotiations over the lease of Gan. Furthermore, Britain landed an army battalion in Gan and flew in a party of journalists who met the President of the rebel Republic.²⁹⁹ The British also informed Male' that any use of force in the suppression of the rebellion in Addu Atoll would be considered a threat to British installations in the atoll and would necessitate protective measures.

Having gained permission to set-up the airforce base in Gan in 1960, the British promised to negotiate in normalising relations between Male' and Addu. In 1963 the British negotiated an end to the secessionist revolt and gave asylum to the rebel leader and his family in Seychelles. However, the bitter experience as a British protectorate left lasting memories within the Maldivian society. It also created strong feelings against any foreign domination or control of the Maldives.

²⁹⁸Phadnis & Luithui, *Winds of Change*, op. cit., p. 29.

²⁹⁹ Ibid., p. 33.

Closely linked to the historical experience of the Maldives, which created the strong desire for the assertion of sovereignty, was the smallness of the country. History had proved the vulnerability of the security and sovereignty of the Maldives to various external influences. There was very little the Maldives could do to defend against such threats. Assertion of sovereignty was a tactic which could be used to minimise the threat to security and sovereignty.

2.4b - Supporting the establishment of a SANWEZ and an IOZOP

The Maldives is located in a region fraught with instability. In the 1970s and 80s, superpower rivalry was one of the most significant factors that contributed to regional instability in South Asia.³⁰⁰ During this period the Maldives found itself in the middle of superpower activity in the Indian Ocean. In 1973 the United States established a military communication and refuelling centre on the island of Diego Garcia just 250 miles south of the Maldives.³⁰¹ Following the Soviet invasion of Afghanistan in 1979 Diego Garcia was upgraded as the main United States' naval and airforce base in the Indian Ocean providing berthing facilities for aircraft carriers, and extended runways to cater for huge cargo planes and fighter aircraft. A Study Group of the David Davies Memorial Institute of International Studies noted that the navies of the superpowers treated waters of the Maldives as if they were part of the high seas, and that the Soviet Indian Ocean fleet of some thirty vessels established regular anchorage in the area.³⁰²

³⁰⁰ Anand, *South Asia*, op. cit., pp. 40-56.

³⁰¹ S.U. Kodikara, 'Role of Extra-Regional Powers and South Asian Security', in S.K. Khatri (ed.), *Regional Security in South Asia*, Centre for Nepal and Asian Studies, Tribhuvan University, Kathmandu, 1987, pp. 41-55.

³⁰² Harden, *Small is Dangerous*, op. cit., p. 6.

Along with the superpower rivalry in the Indian Ocean came the threat of nuclear weapons. The United States' military base in Diego Garcia and the superpower competition in the Indian Ocean exposed South Asia to the threat of direct nuclear attacks and accidental fallout. Furthermore, in 1974 India conducted a nuclear test raising fears of a race for nuclear arms in South Asia, between India and Pakistan.³⁰³ While the end of the Cold War reduced the threat from superpowers the rivalry between India and Pakistan moved to a new level in 1998 with both countries conducting their own nuclear tests and bringing South Asia one step closer to nuclear catastrophe.

The superpower rivalry in the Indian Ocean and nuclear proliferation in South Asia were serious threats to the security and sovereignty of the Maldives. The latter being a small island state was among one of the most vulnerable in both a military and an environmental sense. The vulnerability of the natural environment and the military weakness of the Maldives meant that the escalation of superpower tension or a nuclear accident in the neighbourhood could have very serious consequences for the country. The desire to minimise these threats placed the support for the establishment of a SANWFZ and an IOZOP among the foreign policy objectives of the Maldives.

2.4c - Combating transnational crime

There is general agreement that transnational criminal activities are a major threat to the security and sovereignty of small states. As for the Maldives, foreign mercenaries posed the most serious

³⁰³ S. Paranjpe, *US Nonproliferation Policy in Action: South Asia*, Envoy Press, 1987, pp. 53-54 and 75-77.

threat to security and sovereignty during the past two decades. In 1981 for example, the government of Maldives led by Gayoom faced a coup attempt sponsored by a group of Maldivians and involving European mercenaries including former members of Britain's crack Special Air Services (SAS).³⁰⁴ On this occasion the National Security Services (NSS) of the Maldives, acting on a tip-off, managed to foil the plot and arrest the locals involved.

The Maldives was not so lucky in 1988 when a group of disgruntled Maldivians attempted to dislodge Gayoom's government and install themselves in power. This attempt was made with the services of armed Tamil mercenaries belonging to the People's Liberation Organisation of Tamil Eelam (PLOTE), one of the many separatist groups in Sri Lanka. These mercenaries took the country by surprise on 3 November 1988 by launching an early morning attack on the NSS headquarters in Male'. Although the mercenaries did not succeed, their artillery kept NSS under siege for some 18 hours and cost the lives of 19 Maldivians.³⁰⁵

The mercenary attack awakened present day Maldives to the stark reality of the vulnerability of its sovereignty and territorial integrity to transnational criminal elements. The attack also demonstrated the spill over effect of internal conflicts over their national borders. The services of these mercenaries, for example, were made available in return for the promise of an island in the Maldives to set-up a PLOTE training camp, a tourist resort to

³⁰⁴ Majeed, *Indian Ocean*, op. cit., p. 100.

³⁰⁵ The failure of the attack has been ascribed to various flaws in the strategy used, sheer bad luck on the part of the mercenaries and the resistance by NSS. The most detailed account of the mercenary attack is published in, President's Office, *Novembaru Thinehge Udhvaanee Hamalaa*, Presidents Office, Male', 3 November 1991.

finance their war, and assistance to smuggle weapons into Sri Lanka. Similar attacks in the future are a very real threat for the Maldives, which is a small island state in a region fraught with instability.

Mercenaries are however not the only transnational criminal threat to the Maldives. Like other small states the security and sovereignty of the Maldives are also vulnerable to threats from those such as arms smugglers, drug traffickers, money launderers and the like. Thus, it is no surprise that combating the threat from transnational crime is among the foreign policy objectives of the Maldives today.

2.5 - The Maldives' Foreign Policy Actions

The Maldives employed multilateralism and bilateralism since independence and regionalism since the mid-1980s, in the pursuance of her foreign policy objectives. It is the aim of this section to assess the significance of these strategies in contributing towards the foreign policy objectives of the Maldives. This section will discuss the foreign policy actions of the Maldives at the multilateral, regional and bilateral levels separately under the headings, multilateralism, regionalism and bilateralism respectively.

2.5a - Multilateralism

One of the first foreign policy initiatives of the Maldives on independence was to apply for the membership of the United Nations on 26 August 1965. Gaining membership of this world body was important, as discussed previously with respect to Vanuatu, due to its symbolic significance as the ultimate confirmation of a country's sovereignty. In the case of the Maldives, the membership of the United Nations was also necessary to gain sovereignty within the international community since in 1965 independence did not automatically render a small state sovereign. This was demonstrated by the half-heartedness of some states in welcoming the Maldives to the United Nations. At the Security Council Debate on the admission of the Maldives to the United Nations the United States' representative, for instance, argued:

There are many small entities in the world today moving steadily towards some form of independence. We are in sympathy with their aspirations and applaud this development. However, the Charter provides that applicants for United Nations membership must be not only willing but also "able" to carry out their Charter obligations ...Today, many of the small emerging entities, however willing, probably do not have the human or economic resources at this stage to meet this secondary criterion. We would therefore urge that Council Members and other United Nations Members give early and careful consideration to this problem in an effort to arrive at some agreed standards - some lower limits - to be applied in the case of future applicants.³⁰⁶

The Maldives' application for membership was accepted on 20 September 1965 making her the smallest member of the United Nations

³⁰⁶ Excerpts from the Security Council debate on Maldives' application for membership, in, Ministry of Information and Culture (comp.), *Maldives Foreign Policy in Perspective*, Ministry of Information and Culture, Male' 1995, Annex.

at that time and confirming international recognition of the country's sovereignty.

The Maldives' membership of the NAM in 1976 was an expression of the country's determination to maintain an independent foreign policy. Unlike in the case of Vanuatu, the Maldives membership of the NAM was neither radical nor created concern in the region as South Asian states such as India and Sri Lanka were themselves members of the organisation. The NAM membership therefore served to strengthen the relationship with regional countries instead of alienating them. India for instance, which was keen on excluding superpower activity in the region, would have taken comfort in the Maldives' membership of the NAM, which confirmed the country's espousal of a non-aligned foreign policy.³⁰⁷

As discussed previously with respect to Vanuatu, the membership of multilateral organisations provided the Maldives the opportunity to communicate its views and interests to the international community at a level that was not possible through bilateral or regional channels. In doing so the Maldives also had the opportunity to assert the country's sovereignty. In this respect, large forums such as the United Nations, NAM, the Commonwealth and the OIC have been particularly useful because of their size and their openness to discussion of security and sovereignty related issues.³⁰⁸ Presently the United Nations has some 185 states in its membership, the NAM

³⁰⁷ India's opposition to superpower intrusion into the region is discussed in S. Chopra, 'Indian Ocean Politics - A challenge to India's Diplomacy', in Majeed, *Indian Ocean*, op.cit., pp. 70-91.

³⁰⁸ The Maldives became a full member of Commonwealth in 1985, and OIC in 1974.

constitutes of 114 states, the Organisation of the Islamic Conference and the Commonwealth have 55 members each.

In asserting the country's sovereignty through multilateral organisations, President Gayoom in his address to the Sixth Conference of Heads of State or Government of the Non-Aligned Movement, for example, argued:

As you all know, ours is a small country in relation to the majority of countries that are represented here. We may lack in numbers; we may lack in material wealth; we may lack in technological advancement; in fact we may lack in many of the material criteria by which progress is measured in the present-day world. But I assure this distinguished gathering that my country, the Republic of Maldives, does not lack the courage to speak out freely according to its own convictions.

Our views on international affairs, whether political, economic or social, are based on the fundamental principles that we believe in. They do not stem from any desire to please the powerful, or to side with the majority. What we say in any world problem may not influence this august assembly's opinion or change the course of events, but we deem it our duty to say it freely and honestly.³⁰⁹

The Maldives, in its foreign policy, assumed the moral high ground on all international issues. In line with this policy, the country has been vocal at multilateral forums in calling for disarmament, denuclearisation, decolonisation and the like. In supporting issues based on the principles of morality and justice, the Maldives voiced its opposition against the Israeli policies regarding Palestinians, apartheid in South Africa under the former white regime, Soviet

³⁰⁹President Gayoom, address to the 6th Summit Meeting of Non-Aligned Countries, Havana, 6th September 1979, distributed at the conference as document NAC/CONF.6/DISC.24.

invasion of Afghanistan, United States bombing of Tripoli, and so on.

The Maldives has also used multilateralism forums in working to realise an IOZOP. The credit for the initial idea of establishing an IOZOP goes to Sri Lanka which first raised the issue at the Lusaka Conference of NAM in 1970.³¹⁰ The United Nations General Assembly endorsed the IOZOP in 1971 through its resolution 2832 (XXVI) of 16 December, by a vote of 61 to none and 55 abstentions.³¹¹ This resolution declared Indian Ocean a zone of peace "for all times", and called upon the great powers to enter into consultation with the littoral states of the Indian Ocean with a view to: "(a) halting the further escalation and expansion of their military presence in the Indian Ocean; and (b) eliminating from the Indian Ocean all bases, military installations and logistical supply facilities, the disposition of nuclear weapons and weapons of mass destruction and any manifestation of great power military presence in the Indian Ocean conceived in the context of great power rivalry".³¹² The resolution also called upon littoral and hinterland states of the Indian Ocean, members of the Security Council, and other users of the Ocean, to enter into consultation so as to ensure the implementation of the resolution.

The Maldives has since been pushing to hasten the implementation of the above-mentioned resolution. In the statement to the Thirty-

³¹⁰ K.R. Singh, 'The Indian Ocean: Politics of the Peace Zone', in Majeed, *Indian Ocean*, op. cit., pp. 124-136.

³¹¹ The IOZOP is analysed in, Anand, *South Asia*, op. cit., pp.46-54; Singh, 'The Indian Ocean', op. cit.; and K.S. Sidhu, 'The Indian Ocean as a Zone of Peace: Problems and Prospects', in Majeed, *Indian Ocean*, op. cit., pp. 137-146.

³¹² Anand, *South Asia*, op. cit., Appendix A.

Eighth Session of the United Nations General Assembly, for example, the Chairman of the Maldives' delegation Hon. Ahmed Zaki, stated:

I wish to express the immediate and deep concern of our country on the steadily escalating tension created by great power rivalry for military superiority in the Indian Ocean. My delegation wishes to reaffirm our full support to the declaration of the Indian Ocean as a zone of peace. ...as long as foreign military bases and other such facilities remain in our area, tension will continue to build up. ...if this trend continues, disputes can easily lead to conflicts. ...we shall do every thing possible, along with other countries of the region, to prevent our area being subjected to such potential dangers.³¹³

Unfortunately for the Maldives, the IOZOP has not taken effect to this day. The Ad Hoc Committee set up under the aegis of the United Nations to work for the implementation of the Declaration has not been able to make progress due to the reluctance of major powers such as the United States to withdraw forces from the area.³¹⁴

The circumstances under which the IOZOP was declared have also changed with the end of the Cold War. The superpower rivalry that was the main reason for the peace zone idea became irrelevant at the end of the 1980s. In April 1990, France, the United Kingdom and the United States withdrew from the Indian Ocean Ad Hoc Committee. The Maldives still supports the idea and is keen to see it revived. As such Maldivian representatives continue to use multilateral forums to campaign for the establishment of the IOZOP. At the Fifty-First

³¹³A. Zaki, Permanent Representative of the Maldives to the United Nations, statement to the 38th Session of the United Nations General Assembly, 11 October 1983, New York, a copy of the statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

³¹⁴The progress made by the Ad Hoc Committee on the Indian Ocean is discussed in Anand, *South Asia*, op. cit., pp. 80-86.

Session of the United Nations General Assembly, for example, Foreign Minister Jameel argued:

The Maldives views that proposals for zones of peace and the establishment of nuclear-weapon-free zones should be re-addressed or revived in the context of the current and emerging new international situation. With regard to the proposals relevant to our own region, Maldives continues to support the establishment of a zone of peace in the Indian Ocean and the establishment of a nuclear-weapons-free zone in South Asia. However, it may now be time to reinvigorate the process through the application of new and fresh ideas.³¹⁵

The idea of establishing a nuclear weapons free zone in South Asia has also not been successful despite its endorsement by the United Nations.³¹⁶ The Twenty-Ninth Session of the United Nations General Assembly held in 1974 endorsed the idea as resolution 3265 B (XXIX). However, India opposed the idea and without her support there was no hope of realising a nuclear weapons free zone in the region. The United Nations General Assembly has since adopted several resolutions reaffirming, in principle, its endorsement of the concept and urging regional states to make every possible effort to establish such a zone and to refrain in the meantime from any action contrary to that objective.³¹⁷ The Maldives has over the years maintained at the United Nations that its, "support and commitment for the establishment of nuclear weapon free zones and zones of peace are complete and unequivocal".³¹⁸ However, no progress has been

³¹⁵ Foreign Minister Jameel, statement at the 51st Session of the United Nations General Assembly, 26 November 1996, New York, a copy of the statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

³¹⁶ B. Rahmathulla, 'Perspectives of Nuclear Policies of India and Pakistan in South Asia: An Evaluation', in Majeed, *Indian Ocean*, op. cit., pp. 214-230.

³¹⁷ United Nations General Assembly, Resolution A/RES/51/42, 7 January 1997.

³¹⁸ A. Shahid, Maldives' delegate, statement at the general debate on disarmament and international security issues, First Committee, 48th

made on these issues except for the United Nations' resolutions calling for the establishment of such zones.

The nuclear tests conducted by both India and Pakistan in May 1998 have killed even the faintest hope of establishing a SANWFZ in the foreseeable future. Yet the tests also enhanced the need for action in minimising the threat of nuclear catastrophe. The Maldives cannot expect to influence the nuclear policies of either India or Pakistan at a bilateral level, nor is there a regional organisation in South Asia that could deal with such an issue. Therefore, multilateral organisations such as the United Nations remain the most conducive avenues through which small island states like the Maldives can best hope to make a difference in minimising the nuclear threat in the region. As such, at the Fifty-Third Session of the United Nations General Assembly 1998 the Maldives stressed the importance of the establishment of the proposed SANWFZ, and took the "opportunity to call upon all countries in South Asia to exercise maximum restraint and contribute to the realisation of this noble objective".³¹⁹

The Maldives also looked to multilateral organisations in combating threats to its security and sovereignty from transnational criminal elements. As discussed before small island states are not in a position to effectively deal with such threats on their own. The Maldives, faced with the mercenary attack of 1988, for example, was forced to seek external assistance. The Commonwealth Secretary

Session of the United Nations General Assembly, 22 October 1993, a copy of the statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

³¹⁹ Foreign Minister Jameel, statement to the 53rd Session of the United Nations General Assembly, 1 October 1998, a copy of the statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

General, Sir Shiridath Ramphal, was among those the government of the Maldives contacted for help. The Secretary General readily extended his support by contacting regional Commonwealth states requesting for emergency military assistance to the Maldives to repel the mercenary attack.³²⁰ Such support is very important for small island states. However, in that particular incident in 1988, it was a bilateral partner that sent military support to the Maldives to help fight against the mercenaries, as discussed in more detail in the course of this chapter.

The Commonwealth's main contribution to the security and sovereignty of small states has been at an intellectual level.³²¹ In the wake of the American intervention in Grenada in 1983 the Commonwealth leaders commissioned a study on the special needs of small states. Foreign Minister Jameel was in the Consultative Group assigned for the study.³²² The group's landmark report entitled, *Vulnerability: Small States in Global Society*, concluded in 1985, was a significant contribution to the understanding of the vulnerabilities of small states and the steps needed at the national, regional, and international levels to address them. Further, in 1991 an international workshop on the protection and security of small states was held in the Maldives with the assistance of the Commonwealth Secretariat. Such effort is essential for the process of developing mechanisms and garnering international co-operation in overcoming or minimising the vulnerabilities of small states. As Secretary General Ramphal noted, "if we do not help to provide an

³²⁰ President's Office, *Novembaru Thinehge*, op. cit., p. 100.

³²¹ The Commonwealth's role in addressing the special needs of small states is discussed in, Commonwealth Secretariat, *Report of the Commonwealth Secretary-General 1997*, Commonwealth Secretariat, London, 1997, pp. 85-86.

³²² Commonwealth Consultative Group, *Vulnerability*, op. cit., p. v.

intellectual response to the needs that are at the heart of the problems, we can hardly complain if the wider community passes them over".³²³

The Maldives considers the United Nations as the "best hope" for small states "in warding off challenges to their sovereignty and territorial integrity".³²⁴ As such, following the mercenary attack of 1988 the Maldives' sought to mobilise support of the United Nations community for the protection and security of small states. The response was not too promising. The larger states were not willing to go any further than provide lip service to the special security needs of small states. Therefore, as an initial step the Maldives in 1989 introduced a resolution at the United Nations General Assembly entitled, Protection and Security of Small States, that was acceptable to small and large states alike. The resolution was co-sponsored by 55 states and was adopted without a vote as Resolution A/RES/44/51. This resolution recognised that small states may be particularly vulnerable to external threats and acts of interference in their internal affairs, and (a) appealed to regional and international organisations to assist small states in strengthening their security; (b) urged the Secretary General to pay special attention to monitoring the security situation of small states and to consider making use of the provisions of Article 99 of the organisation's Charter;³²⁵ and (c) invited the Secretary General to

³²³ Ibid., p. 120.

³²⁴ Foreign Minister Jameel, address to the 46th Session of the United Nations General Assembly, New York, 20 October 1991, a copy of the statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

³²⁵ Article 99 of the United Nations Charter states, "the Secretary General may bring to the attention of the Security Council any matter which in his opinion may threaten the maintenance of international peace and security".

explore ways and means, within the United Nations and in accordance with the Charter, of preserving the security of small states.

Subsequent efforts to strengthen the resolution have not been very successful as demonstrated by the revised resolutions A/RES/46/43 of 9 December 1991 and A/RES/49/31 of 30 December 1994, that go no further than recognising that small states might need a special measure of support for protection and security. Some larger powers like the United States have stressed at the United Nations that they will not agree to make any distinction among states with respect to security.³²⁶ They argued that it was unnecessary to make such distinction since the United Nations was based on the sovereign equality of states and provided for the security of all. This was an argument that was hard for small states to accept. At the Commemorative Meeting of the General Assembly on the occasion of the fiftieth anniversary of the United Nations, for example, President Gayoom used the following words to express dismay over the inconsistency of the organisation and pleaded for greater importance to be assigned to the needs of small states.

Just a few weeks ago a band of foreign mercenaries invaded ...the Comoros, and toppled its legitimate government. The United Nations did nothing. In November 1988 armed foreign terrorists attacked my own country and tried to do the same. We received no assistance from the United Nations to repel the attack. We acknowledge what the United Nations had done to stop aggression in the Middle East in 1956 and 1967, and what it did in Kuwait in 1991. We want the United Nations to react to the threats that we small states are frequently exposed to with the same urgency, commitment and effectiveness. The security and protection of small states

³²⁶ Commonwealth Advisory Group, *A Future for Small States*, op.cit., p. 145.

must be accepted as an integral part of international security and peace.³²⁷

The Maldives has also been stressing at the United Nations the need for member states to urgently sign and ratify the International Convention against the Recruitment, Use, Financing and Training of Mercenaries, which would contribute to the security of the international community at large. This Convention according to President Gayoom, provides a great opportunity to challenge the acts of "terrorism and mercenarism".³²⁸

2.5b - Regionalism

The benefit of regionalism as a strategy in realising the security and sovereignty related foreign policy objectives of the Maldives has been limited due to the political climate within South Asia. As mentioned before, South Asia has a very high level of political tension due to hostility between certain countries of the region such as India and Pakistan. As such, contentious and bilateral issues are excluded from the ambit of SAARC thereby limiting the scope of the organisation in enhancing the security and sovereignty of the Maldives.³²⁹

³²⁷ President Gayoom, address to the Special Session of the General Assembly on the occasion of the 50th Anniversary of the United Nations, 24 October 1995, New York, a copy of the statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

³²⁸ Ibid.

³²⁹ Article X, Charter of the South Asian Association for Regional Co-operation, a copy of the document was made available to the author by the Ministry of Foreign Affairs, Maldives.

At a symbolic level, SAARC has been significant for the Maldives in contributing towards the foreign policy objective of asserting the country's sovereignty. As mentioned before the Maldives is the smallest in a region of larger states. Yet the framework of SAARC enables the Maldives to be involved on an equal footing as the rest of the regional countries, in charting the future of South Asia, in important areas such as trade.³³⁰

On the issues of establishing an IOZOP the Maldives has not been able to make any gains through SAARC. The IOZOP concept was supported by regional countries when it was initially proposed. However, the support for the cause by regional powers such as India waned when global powers began to insist that the regional countries themselves accept the same conditions demanded of foreign powers within the region. For instance, the elimination of nuclear weapons of the major powers was linked with overall denuclearisation of the region. Similarly, a reduction in the military presence by external powers was linked to an equal cut in the military forces of the regional countries.³³¹ As such, while larger South Asian countries like India opposed the idea of an IOZOP regional small states such as the Maldives, which had nothing to loose but a lot to gain from a zone of peace, were in favour of it. Consequently, the idea of establishing an IOZOP was a political and contentious issue and could not be discussed under the SAARC framework.

Similarly, the establishment of a SANWFZ was outside the ambit of SAARC. The establishment of a nuclear weapons free zone in South

³³⁰ Regional co-operation in trade will be discussed in section 3.3d, chapter III.

³³¹ Singh, 'The Indian Ocean', op. cit., pp. 128.

Asia was initially put forward to the international community by Pakistan. Given the political tension and rivalry between Pakistan and India it was not surprising that the latter opposed the SANWFZ idea. Furthermore, a SANWFZ was perceived by India as discriminatory and dividing the world into "nuclear haves and the have-nots".³³² As such the establishment of a SANWFZ was a contentious issue which could not be tackled through the SAARC forum.

The Maldives, particularly after the mercenary attack of 1988, looked to a number of avenues including the SAARC in the hope of strengthening the security and sovereignty of the country. At the SAARC Summit in 1990 the Maldives raised the issue of the vulnerability of small states and went on to argue that "as a regional association we can jointly face the challenge of putting an end to all outside intervention and of ensuring that our countries do not become hotbeds of conflicts engineered from outside".³³³ The SAARC leaders at the Summit acknowledged the vulnerability of small states and have since reaffirmed in almost every Summit Declaration that small states needed a special measure of support from the international community for safeguarding their independence and territorial integrity.

Despite the SAARC Declarations reaffirming the vulnerability and the special needs of small states a comprehensive mechanism to protect such states has not evolved through the organisation. Given the tension between regional countries, it is unrealistic to expect such a mechanism to emerge through SAARC in the near future. As such,

³³² Ibid., p. 131.

³³³ President Gayoom, statement delivered at the Fifth SAARC Summit, Male', 22 November 1990, a copy of the statement was made available to the author by the Ministry of Foreign Affairs of the Maldives.

small states like the Maldives have to rely on some other strategy to enhance their security and sovereignty.

In combating the threat of transnational crime, SAARC has initiated co-operation in the area of tackling terrorism and drug trafficking. Since terrorism and drug related crimes often have international connections, a co-ordinated approach among regional countries is essential for a comprehensive solution. In response to this need a SAARC Regional Convention on Suppression of Terrorism was signed in November 1987 and entered into force in August 1988.³³⁴ This convention committed regional countries to co-operate in the suppression of terrorism through the exchange of information, intelligence and expertise, and to extradite or prosecute alleged terrorists thereby preventing them from enjoying safe haven.³³⁵ The Maldives has enacted the necessary enabling legislation for the implementation of the convention but not all of the South Asian countries have done so yet.

A SAARC Terrorist Offences Monitoring Desk (STOMD) has also been set-up in Colombo to collate, analyse and disseminate information on these crimes in the region. According to Captain Ibrahim Latheef of the NSS of the Maldives, STOMD has not been of much use to his country yet, since the information exchanged through the desk has been very limited.³³⁶ Captain Latheef is however optimistic that STOMD will become more active in the future since the annual conferences of SAARC on police matters, which began in 1996, are

³³⁴ SAARC Secretariat, *SAARC in Brief*, SAARC Secretariat, Kathmandu 1994, p. 27.

³³⁵ Ibid. p. 27.

³³⁶ Interview conducted by the author with Captain Ibrahim Latheef, of the NSS of the Maldives, Male', 16 February 1999.

creating a closer bond between regional officials involved in tackling drug and terrorism related offences.³³⁷ South Asian leaders at the Tenth SAARC Summit expressed the need for greater co-operation by calling for the continued sharing of expertise in different areas of police investigation, including investigations related to organised crime and drug related offences.³³⁸

A SAARC Convention on Narcotic Drugs and Psychotropic Substances has also been signed in November 1990.³³⁹ This convention was aimed at supplementing at the regional level, the relevant international conventions and promoting regional co-operation in both law enforcement and demand reduction with respect to narcotic drugs and psychotropic substances.³⁴⁰ The Maldives has enacted the necessary enabling legislation for the implementation of the convention, but some of the other South Asian countries are yet to do so.

In the drive to curb drug offences in South Asia, a SAARC Drug Offences Monitoring Desk (SDOMD) has been set-up in Colombo, to collate analyse and disseminate information on relevant offences in the region. Captain Latheef noted that the effectiveness of SDOMD has also been very limited. However, Captain Latheef foresees SDOMD playing a more active role in the future as the bond between regional law enforcement officials, fostered through the regional conferences on police matters, strengthen.

³³⁷ Ibid.

³³⁸ SAARC Secretariat, *SAARC in Brief*, op. cit., p. 27.

³³⁹ Ibid.

³⁴⁰ Ibid.

2.5c - Bilateralism

Bilateralism like regionalism and multilateralism has been employed by the Maldives in its endeavour to realise the security and sovereignty related foreign policy objectives. The contribution of bilateralism has been crucial in certain instances, yet not the preferred choice. This section will attempt to assess the significance of bilateralism in contributing towards the foreign policy objectives of the Maldives focused in this chapter.

Bilateralism has proved useful for the Maldives in the assertion of the country's sovereignty. In 1965, bilateral partners, particularly the United Kingdom, were very helpful for the Maldives in its bid to join the United Nations. In the face of reluctance among certain members of the Security Council in granting full membership, the United Kingdom made a very strong case by arguing that despite the remoteness and smallness of the Maldives, her application "could not be supported by better qualifications".³⁴¹ Such support from bilateral partners was crucial for the Maldives in gaining the membership of the organisation - an achievement that was important in contributing towards the Maldives' foreign policy objective of asserting her sovereignty.

The Maldives, by advocating a policy of non-alignment, assuming the moral high ground on all international issues, and by exercising

³⁴¹ Lord Caradon, statement delivered at the Security Council debate on the admission of the Maldives to the United Nations, in, Ministry of Information and Culture, *Maldives Foreign Policy*, op. cit., Annex.

some caution not to provoke hostility, has been able to employ bilateralism in asserting its sovereignty within the international community. In line with its non-aligned policy the Maldives established diplomatic relations with a number of countries from diverse politico-economic and ideological backgrounds including those such as the United Kingdom, United States, Sri Lanka, India, Soviet Union, Cuba, Libya, China, Iran and Iraq. This policy was important as a symbolic expression of the country's sovereignty but did not cause any concern in the region or elsewhere.

Amidst the strong Cold War currents traversing the Indian Ocean in the 1970s and 80s, the bilateral policy of the Maldives based on non-alignment, morality and pragmatism, was important in trying to maintain independence and sovereignty. The Maldives was well aware of its smallness and weakness and the dangers of being drawn into the Cold War conflict. As such, when the Soviet Union made an overture in 1979 to lease Gan for one million dollars per annum, the Maldives chose to reject it politely.³⁴² The explanation for the rejection was that the Maldives did not want any foreign military presence within its territory although the country badly needed the money.

The rejection of the Soviet offer served the dual purposes of contributing towards the proposed SANWFZ and IOZOP, and demonstrated the country's determination to retain its sovereignty. In connection with this incident the Asia Year Book noted that the Maldives "prides itself on its fearless articulation of what it considers right and proper".³⁴³ The Asia Yearbook further argued that the strategic location of the Maldives "coupled with a strictly non-

³⁴² Phadnis & Luithui, *Winds of Change*, op. cit., p. 84.

³⁴³ *Asia Yearbook*, 1982, pp. 192-196.

aligned policy creates the ability to secure assistance and support from all without sacrificing too much freedom of action".³⁴⁴

The Maldives has diplomatic links with a large number of countries but close bilateral connections have been fostered with a smaller group of regional and non-regional countries such as India, Pakistan, Sri Lanka, Germany, Japan, Singapore and the United Kingdom. The support of one of these countries, namely India, proved invaluable for the Maldives in 1988 in defending the country against the mercenary attack. Following the attack the government of the Maldives requested assistance from a number of sources, and India was quick to respond by landing troops in Male' international airport within a short duration of about 12 hours.³⁴⁵ By the time the Indian forces arrived the mercenaries had taken some 14 hostages and were fleeing the country in a hijacked vessel.³⁴⁶ The Indian navy intercepted the vessel carrying the mercenaries, arrested them and freed eight hostages. The rest have either been executed or died in the exchange of gunfire between the Indian navy and the mercenaries.

Despite the fact that it was a bilateral partner that came to the assistance of the Maldives following the mercenary attack, bilateralism is not the most desired by the country on issues related to security and sovereignty, and especially when it involves military intervention. Dependence on bilateral military assistance has the potential to force small island states to forfeit their sovereignty at least to some degree in favour of the assisting country. Furthermore, even if the motives of the assisting country

³⁴⁴ Ibid.

³⁴⁵ Presidents Office, *Novembaru Thinehge*, op. cit., p. 98.

³⁴⁶ A few mercenaries who could not make it to the boat on time were left behind on Male' and were caught, a few days later.

are purely altruistic and the sovereignty of the state which receive the assistance remains intact, continued dependence on such assistance from any one bilateral source is bound to have an adverse effect on the international profile of the small state in question. As such, the Maldives favours assistance from international organisations instead of bilateral sources. Foreign Minister Jameel explained this preference in 1989 at the Forty-Fourth Session of the United Nations General Assembly, in the following words:

...bilateral security arrangements in the international system have not yet evolved to a level of maturity whereby the interests of the weaker partner can be assured. Nor are the socio-political identity of the weaker state and the principle of sovereign equality strong enough to be impervious to the possible vicissitudes of unequal relationships.

Moreover, our political systems continue to be afflicted by misperception which can distort actions taking place with the best intentions. Consequently, the greater the power differential, the greater the propensity to misperception and the more hapless the predicament of the weaker parties. It is for this reason that we believe that multilateral frameworks are the most feasible modes for a sound security mechanism for the weakest members of this Organisation.³⁴⁷

Until sound security mechanisms are in place through multilateral forums small island states like the Maldives will have to rely on bilateralism in defending against threats to security and sovereignty.

³⁴⁷ Foreign Minister Jameel, statement to the 44th Session of the United Nations General Assembly, New York, 1989, copy made available by the Permanent Mission of the Maldives to the United Nations.

2.6- Conclusions

Multilateralism, regionalism and bilateralism have all been useful for both Vanuatu and the Maldives in the pursuit of their security and sovereignty related foreign policy objectives. However, the significance of these strategies in realising the objectives of both countries and thereby contributing towards their foreign policy goals varied. Often two or more strategies complemented each other in contributing towards the foreign policy objectives.

In the case of Vanuatu the three foreign policy strategies of multilateralism, regionalism and bilateralism were useful in the assertion of the country's sovereignty. Membership of multilateral organisations such as the United Nations and the NAM were important at a symbolic level as expressions of the country's sovereignty and independence. Large multilateral forums also proved to be the most cost-effective channel for Vanuatu to express its views to the international community and further the country's objectives including the assertion of sovereignty. Using non-alignment, morality, and justice as the guiding principles of foreign policy Vanuatu, through multilateral forums, championed causes such as decolonisation and denuclearisation, and in the process asserted the country's sovereignty.

Similarly, regional forums enabled Lini government to assert the country's sovereignty at the regional level but was not as effective as multilateral forums due to the relatively small size of the former organisations. The stands taken by Vanuatu at regional forums on issues such as colonialism and nuclearisation made the country renowned in the South Pacific for its hard line policies. These

stands were often directed against the policies of major powers such as France and the United States, thereby demonstrating the independence and sovereignty of Vanuatu in its foreign policy.

Some of Lini government's bilateral policies were also significant in the assertion of Vanuatu's sovereignty, although at a symbolic level. For instance the diversification of Vanuatu's bilateral connections to include countries such as Vietnam, Cuba and Libya, despite regional opposition, was a radical move for a South Pacific island state but a strong assertion of the country's sovereignty.

Nevertheless bilateral policies sometimes proved counter-productive for Vanuatu in the assertion of sovereignty. For instance when Vanuatu gave permission for Libya to open a Peoples Bureau in Vila, the regional opposition became extremely strong and relations with Australia had to be severed. Australia was however the biggest aid donor and a very valuable partner. Severing relations with such a useful partner was not a pragmatic move for a small island state. Eventually Vanuatu had to change its policy and loose face within the region.

Multilateral and regional organisations also enabled Vanuatu to draw international attention to the struggle for independence by colonised peoples. The SPF proved effective for Vanuatu to gain regional support in petitioning the United Nations Decolonisation Committee to re-inscribe New Caledonia in its list of colonies. The support of the member states of NAM, lobbied through Vanuatu's connection with them, is said to have been instrumental in the re-inscription of New Caledonia.

There were however limits to the usefulness of multilateralism and regionalism on the issue of decolonisation. Even bilateralism was of little use for Vanuatu on these issues. The support of certain bilateral partners such as Libya, to enlist East Timor and West Papua on the United Nations list of colonies, was limited to secret meetings in Europe and elsewhere but they did not achieve any concrete results.

Vanuatu and the other regional states managed to gain international support through the Commonwealth, the United Nations and other such multilateral organisations, for the establishment of a SPNFZ. However, Vanuatu's push for a comprehensive SPNFZ through the SPF was pre-empted by Australia, which wanted to avoid a radical decision that might harm Western interests, by supporting a tame treaty which appeared to address the concerns of the island states but enabled the nuclear status quo in the region to be maintained. This incident demonstrated the limitations of regionalism for Vanuatu in pursuing issues that contradict the interests of larger regional countries. Nevertheless, the Rarotonga Treaty itself was, as one regional diplomat said, "half a loaf" that was better than none.

Bilateralism proved more effective than regionalism or multilateralism in instances when the sovereignty of Vanuatu was under threat due to unrest as during the Santo rebellion. Bilateral partners such as Papua New Guinea and Australia came to Vanuatu's assistance in 1980 in suppressing the Santo revolt. Similarly in 1988, Papua New Guinea, Australia and New Zealand offered their

assistance to Vanuatu to put down a rebellion that was threatening the internal stability of the country. These two instances highlighted the importance to Vanuatu of the Melanesian neighbours, Australia and New Zealand.

In the fight against transnational crime, regionalism is promising. The establishment of the Forum Security Committee and the adoption of the Honiara Declaration and the Aitutaki Declaration for example, are important steps in the battle against transnational crime, made possible through regionalism. An efficient mechanism to deal with such threats is however yet to evolve. Moreover Vanuatu has not shown any interest in strengthening the regional mechanism and has not participated in the meetings of the Forum Security Committee during the last three years. Bilateral partners have shown a readiness to support Vanuatu in the fight against transnational crime. But the usefulness of such support will depend on Vanuatu's commitment to the cause of combating transnational crime.

In the case of the Maldives too multilateralism continues to play a very significant role in enabling the country to assert its sovereignty. The membership of the United Nations for example, has been of symbolic significance as the confirmation of Maldives' sovereignty. Likewise, the membership of the NAM proved to be a symbolic expression of the country's determination to maintain an independent foreign policy.

Multilateral organisations also afford the Maldives access to large international forums through which the country could cost-effectively express its views and interests to the international

community. At these forums the Maldives was vocal in condemning and lobbying against unjust and immoral practices such as apartheid, colonialism, and nuclear proliferation, and thereby asserting the country's sovereignty.

Regionalism and bilateralism were not options for the Maldives in pursuing its objectives such as the establishment of a SANWFZ and an IOZOP. These peace zones were closely linked to the security and political interests of the larger regional powers and the Maldives was not in a position to influence these interests through bilateral channels or through SAARC which could not address contentious issues. As such, the Maldives had to rely on its membership of multilateral organisations, particularly the United Nations, in striving for a SANWFZ and an IOZOP. However, the effort through the United Nations has not yet been successful. Moreover, both India and Pakistan conducted nuclear tests in 1998 thereby contributing to the instability in South Asia or the problem the Maldives was trying to resolve. Nevertheless, the Maldives is continuing to call for an IOZOP and a SANWFZ, through the United Nations.

In the fight against transnational crime multilateralism, regionalism and bilateralism complemented each other although the latter tended to be more crucial for the defence of the Maldives. The Commonwealth has been contributing to the security of small states through intellectual studies that help to enhance international awareness of the special needs of small states. Through the United Nations the Maldives was able to table a few resolutions on the security of small states. These resolutions did not produce any solutions to the threat facing the Maldives. Some larger states were unwilling to allow the Maldives to place the

responsibility of protecting small states on the United Nations. As such the resolutions on the security of small states did nothing more than draw international attention to the threat facing small states.

SAARC has signed conventions in the area of combating terrorism and drugs. However, the enabling legislation necessary to implement these conventions have yet to be enacted in regional countries. Under the SAARC, two monitoring desks with respect to terrorism and drug-related offences have also been established and co-operation in police matters has been initiated. The concerned officials of the Maldives believe that the desks will be effective in the future as the connection between regional law enforcement officers strengthen through interaction at the regional meetings and conferences on police matters.

Bilateralism has been more useful than multilateralism or regionalism, in defending the Maldives against threats from criminal elements such as mercenaries. In November 1988 for example, India came to the defence of the Maldives that was under attack by mercenaries. Nevertheless, the threat of having to forfeit the sovereignty of the country to the bilateral partner that helps defend against physical attacks, has made multilateralism the preferred choice of the Maldives for emergency assistance and for developing a comprehensive mechanism to guarantee the security and sovereignty of small island states. Until such a mechanism is in place the Maldives will have to rely on bilateralism in case of an attack which the NSS is unable to repel or defend against.

CHAPTER III

ECONOMIC DEVELOPMENT

3.1 - Introduction

Two to three decades since independence both Vanuatu and the Maldives are still LDCs. The struggle of these countries to provide a better standard of living for their peoples and climb out of the LDC status have been hampered by a large range of impediments most of which stem from the physical characteristics of these countries. This chapter aims to discuss some of the important foreign policy objectives of the Maldives and Vanuatu in the area of economic development and assess the significance of multilateralism, regionalism and bilateralism in contributing towards these objectives.

The discussion in this chapter is divided into four main sections. The first section or section 3.1 is evidently this introduction. Section 3.2 will discuss three foreign policy objectives shared by both Vanuatu and the Maldives in the area of economic development. These objectives are among the most discernible in the foreign policy of the two countries and include minimising vulnerability and the promotion of trade; protection of resources; and maximising foreign aid. Section 3.3 attempts to assess the foreign policy actions of Vanuatu and the Maldives in the pursuance of the above objectives in the area of economic development. Section 3.4 will sum-up the discussion in the chapter with an intra-country comparison of the effectiveness of multilateralism, regionalism and

bilateralism with respect to the foreign policy of Vanuatu and the Maldives.

3.2 - Foreign policy objectives of Vanuatu and the Maldives

This section will discuss the three foreign policy objectives shared by Vanuatu and the Maldives selected for use in this thesis - minimising vulnerability and the promotion of trade; protection of resources; and maximising foreign aid. This discussion will provide the background for the assessment of the effectiveness or significance of the foreign policy strategies employed by Vanuatu and the Maldives, undertaken below.

3.2a - Minimising vulnerability and the promotion of trade

The vulnerabilities and constraints that impede the economic development efforts of Vanuatu and the Maldives stem predominantly from a range of intrinsic characteristics associated with being small island states. This is not to say that all small island states are alike - Vanuatu for instance is a largely mountainous country while the Maldives is very low-lying and made up entirely of coral atolls. While acknowledging such differences it is possible to identify a number of characteristics common to most small island states. These characteristics include those such as smallness of land area, geographical makeup as one or more small islands, remoteness from metropolitan states, and heavy dependence on the external community for trade and aid.³⁴⁸

³⁴⁸ A detailed discussion of the impediments to the development of small island developing states is in, UNCTAD Panel of Experts, *Developing*, op. cit.; A.J. Dolman, 'Paradise Lost?', op. cit.;

The small land areas of small island nations like Vanuatu and the Maldives limit the range and quantity of natural resources such as commercially exploitable minerals, these countries are endowed with. The Maldives, for example, has no known commercially exploitable, land based, natural resource. Vanuatu has a limited range and quantity of natural resources such as manganese that was mined until 1979. Investigations in the early 1990s revealed that some 2 million tons of high-grade ore still existed in the area.³⁴⁹ Prospecting for gold is also presently being carried out in Vanuatu. However, large deposits that could have a substantial long-term impact on the economic performance of the country have not been discovered yet.

The paucity of even the most basic natural resource, arable land, restricts agriculture in the Maldives and Vanuatu to a narrow range and quantity of products. The coral islands of the Maldives are so small and low lying that only around ten per cent of the country's land area is suitable for agriculture.³⁵⁰ This scarce agricultural land is distributed over one thousand widely dispersed islands. As such transportation difficulties and diseconomies of scale limit agricultural activity to an even smaller percentage of the country's land area. This factor together with manpower limitations resulted in a very weak agricultural sector confined to a narrow range of products and a low level of production. As such, even domestic demand for most agricultural products has to be met through imports.

Commonwealth Consultative Group, *Vulnerability*, op. cit., pp. 8-10 and 14-21.

³⁴⁹ The EIU, *Country Profile*, op. cit., p. 86.

³⁵⁰ Government of the Maldives, *Maldives and its Development Partners: An Agenda for Co-operation*, vol. I, prepared for the Sixth Round Table Meeting between Maldives and its development partners, Geneva, 1999, Male', 1999, p. 11.

As for Vanuatu, approximately forty-five per cent of the country's land area is arable. However, the rugged mountainous terrain makes it difficult to exploit the interior of the larger islands thereby restricting agricultural activity largely to the fertile coastal plains.³⁵¹ Subsistence agriculture plays an important role in the country's economy since eighty-two per cent of Vanuatu's population live in rural areas.³⁵² Nevertheless, the country's agricultural exports are limited to a very narrow range of products namely copra, beef, veal, squash, cocoa, coffee, kava and sawn timber.

The small land areas, resource limitations and diseconomies of scale render small island states dependent on a very few exports. The Maldives for example is heavily dependent on canned and frozen tuna, and tourism, while Vanuatu is dependent on the agricultural products mentioned above plus tourism. The narrow range of products produced within these small island states necessitate a large range of imports. The Maldives, for example, imports virtually everything used in the country including staples such as rice and wheat flour. Figures for 1996 show that the value of the Maldives' imports exceeded her exports by US\$ 199.1 million during the year.³⁵³ Similarly in 1994 the value of Vanuatu's imports exceeded her export earnings by US\$ 72.84 million.³⁵⁴ Such balance of trade deficits are a heavy burden for small island states. Moreover, the dependence on a narrow range of export products and their susceptibility to vagaries of the global market make the economies of these small island states extremely fragile.

³⁵¹ C. Brown, *Economic Development in Seven Pacific Island Countries*, IMF, Washington, D.C., 1989, p.157.

³⁵² Around one fourth of the country's GDP is attributable to the agricultural sector according to EIU, *Country Profile*, op. cit., p. 82.

³⁵³ MPHRE, *Statistical Year Book of Maldives 1998*, MPHRE, Male', 1998, p.xix.

³⁵⁴ The EIU, *Country Profile*, op. cit., p. 104.

These economic problems of Vanuatu and the Maldives are compounded by the isolation of these countries from the major export markets in terms of distance and the inaccessibility of efficient transportation. Consequently, transportation of products from the Maldives and Vanuatu to the export markets are difficult and the freight costs are high. The fishery exports from the Maldives for example, have to be trans-shipped through Sri Lanka since none of the major freight carriers are willing to divert their vessels through the Maldives just to pickup thirty or forty containers at a time.³⁵⁵ As such, competitors of the Maldives that are further away from the export markets such as Europe, still enjoy much cheaper transportation costs to the destination.³⁵⁶ Similarly, the transportation cost of unprocessed copra sold by Vanuatu to the European market, for example, is as high as half of the income derived from the sale of the product.³⁵⁷

The developmental problems of the Maldives and Vanuatu are further aggravated by diseconomies of scale in the provision of social services and the proneness of these countries to natural disasters. In the Maldives for example, the population is dispersed over 200 widely scattered islands. Over 90 per cent of these inhabited islands have populations below 1000 people and only four have populations over 4000 people.³⁵⁸ Due to the long distances between the islands and transportation difficulties each and every one of these small island communities have to be self-contained in terms of

³⁵⁵ Information provided to author by a fax dated 10 July 1998 from Mr. Ibrahim Athif, Deputy Director, Maldives Industrial Fisheries Company Ltd. (MIFCO).

³⁵⁶ Ibid.

³⁵⁷ Bank of Hawaii, *An Economic Assessment of the Republic of Vanuatu*, Winter 1995, p. 12.

³⁵⁸ MPHRE, *Fourth National Development Plan*, MPHRE, Male', 1994, p. 1.

schools, hospitals and the like. The provision of such services to all of these small island communities is a formidable and taxing task that impedes economic development. Natural disasters such as tropical cyclones and high waves add to these impediments to development by periodically taking a heavy toll on the economies of Vanuatu and the Maldives respectively.

Trade liberalisation under the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), concluded in 1993 and discussed in more detail in section 3.3, is contributing to the developmental dilemma of small island states like the Maldives and Vanuatu. The concessions enjoyed by products from small island states to developed country markets under agreements such as the Lomé Convention and the Generalised System of Preferences (GSP) are presently being eroded due to trade liberalisation. The loss of preferential treatment reduces the competitiveness of the products from small island states. As such, states such as the Maldives and Vanuatu face the threat of being further marginalised from the global economy. Minimising the impact of the changing global trading environment and the inherent vulnerabilities associated with being small island states are naturally among the priority foreign policy objectives of Vanuatu and the Maldives.

3.2b - Protection of Resources

The Law of the Sea Convention of 1982 which emerged from UNCLOS III rewarded coastal states with territorial waters of 12 miles and an Exclusive Economic Zone (EEZ) of 200 miles off the coast of the

country.³⁵⁹ According to Article 56 of the Law of the Sea Convention, coastal and island states possess the sovereign right to explore and exploit, conserve and manage the living or non-living natural resources within their own EEZs. This provision of the Convention endowed small island states like the Maldives and Vanuatu sovereign rights over relatively large EEZs in comparison with the land area of these countries. Vanuatu with a land area of approximately 12,000 square kilometres received an EEZ of around 686,000 square kilometres.³⁶⁰ Similarly, the Maldives with a land area of 300 square kilometres was endowed with an EEZ of approximately 929,400 square kilometres.³⁶¹ These large EEZs partially compensated these small island states to some extent for their limited land based natural resources.

The sustainability of the marine resources within the EEZs of Vanuatu and the Maldives have been under threat from factors such as wasteful fishing methods and poaching. Driftnet fishing introduced to the South Pacific in the middle of the 1980s, for example, by Japanese, South Korean and Taiwanese fishermen, posed a very serious threat to fish stocks and other marine mammals such as dolphins and sea birds in the region.³⁶² This technique involved the use of a series of very long nets deployed by several vessels working

³⁵⁹ A comprehensive discussion on the delimitation of the territorial waters and EEZs of archipelagic states is in, M. Munavvar, *Ocean States: Archipelagic Regimes in the law of the Sea*, Martinus Nijhoff Publishers, Dordrecht, 1995.

³⁶⁰ T.I.J. Fairbairn, C.E. Morrison, R.W. Baker, and S.A. Groves (eds.), *The Pacific Islands: Politics, Economics, and International Relations*, East-West Centre, Honolulu, 1991, p. 149.

³⁶¹ MPHRE, *Fifth National Development Plan*, op. cit., p. 26.

³⁶² D.J. Doulman, 'Fisheries Management in the South Pacific: The Role of the Forum Fisheries Agency', and M. Hagler, 'Driftnet Fishing in the South Pacific', in R. Thakur (ed.), *The South Pacific: Problems, Issues and Prospects*, St. Martin's Press, New York, 1991, pp. 81-94 and 95-105 respectively.

jointly, and stretching over thousands of kilometres.³⁶³ These nets catch and kill every living creature they come in contact. Driftnets lost at sea could continue fishing as "ghost nets" for years to come.³⁶⁴

Taking advantage of the limitations of small island states to adequately monitor and police their EEZs, poachers have been illegally exploiting the waters of these countries. The extent of the problem is demonstrated by the fact that the handful of coastguard vessels in the Maldives, relying on information from local fishermen, managed to apprehend between 1994 and 1997, a total of 32 foreign fishing vessels for poaching within the country's EEZ.³⁶⁵ These vessels were from countries such as Japan, Hong Kong, Indonesia, South Korea, but mostly from Sri Lanka. According to the Commonwealth Advisory Group, the incidence of poaching has mushroomed world-wide over the past decade.³⁶⁶ The protection against such threats to marine resources, one of the very few if not the only type of commercially exploitable resources available to small island states, is among the foreign policy objectives of the Maldives and Vanuatu.

3.2c - Maximising Foreign Aid

A number of scholars have questioned the intentions of aid donors and the value of foreign aid to the socio-economic development of

³⁶³G. Palmer, *Environment: The International Challenge*, Victoria University Press, Wellington, 1995, p.180.

³⁶⁴ Doulman, 'Fisheries Management', op. cit., p. 90.

³⁶⁵ Statistics on illegal fishing was provided to the author by the Ministry of Foreign Affairs, Male'.

³⁶⁶ Commonwealth Advisory Group, *A Future for Small States*, op.cit., p. 18.

the recipient countries. Some scholars maintain that foreign aid is creating economic dependence instead of development. Knapman for example argued that "aid will tend to create the need for more aid, leading to a condition of permanent aid dependence; and that this is the only available entry into 'developed' consumer society".³⁶⁷ Bauer has pointed out that "external donations have never been necessary for the development of any society anywhere".³⁶⁸ Hook has argued that although development aid appears to be founded on altruistic and humanitarian principles, "upon closer inspection, a variety of donor self-interests appear, along with sub-national interests within both donor and recipient states".³⁶⁹ While there is some truth in the criticisms the alternative is for aid recipients to live within their own means and this is not an option for small island states.

Development without aid is not possible for small island states given their very narrow resource base and innumerable developmental needs that cannot be met solely through the revenue generated from their weak economies. As such, small island states are forced to rely on external assistance or development co-operation to supplement their meagre resources to meet the socio-economic demands of their countries. Leaders and diplomats of both Vanuatu and the Maldives have consistently maintained that their social and economic progress are dependent on foreign assistance. President Gayoom for example, argued that, "it would be impossible for the developing countries alone to reverse the lingering inertia in their

³⁶⁷ B. Knapman, 'Aid and Dependent Development of Pacific Island States', *The Journal of Pacific History*, vol. 21, July 86, pp. 139-152.

³⁶⁸ P. Bauer, et al, *Aid and Development in the South Pacific*, Centre for Independence Studies, Auckland, 1991, pp. 3-18.

³⁶⁹ S.W. Hook, *National Interest and Foreign Aid*, Lynne Rienner Publishers, Inc., Colorado, 1995, p. 15; A comprehensive discussion of selfish donor interests behind foreign aid is in, A. Maizels and M.K. Nissanke, 'Motivations for Aid to Developing Countries', *World Development*, vol. 12, 1984, pp. 879-900.

economies", and that no significant economic improvement is possible "unless complementary commitments from their development partners can be mobilised".³⁷⁰ Similarly, Vanuatu's Prime Minister, Vohor, called on the United Nations General Assembly in 1997, to mobilise development assistance in support of small island states such as his country.³⁷¹ Not surprisingly, maximising foreign aid is among the most important foreign policy objectives of Vanuatu and the Maldives.

3.3 - Foreign Policy Actions of Vanuatu and the Maldives

This section aims to assess the significance of multilateralism, regionalism and bilateralism in contributing towards the three foreign policy objectives of Vanuatu and the Maldives discussed above. The section will first assess the significance of multilateralism in the foreign policies of both Vanuatu and the Maldives. This assessment is carried out jointly for the two countries under study to avoid repetition since the foreign policy actions of both these states at the global level are very similar and often overlap. The section will then go on to assess the significance of regionalism and then bilateralism in contributing towards the foreign policy objectives of Vanuatu. This will be followed by a similar assessment of the regional and bilateral strategies of the Maldives.

³⁷⁰ President Gayoom, address to the 45th Session of the United Nations General Assembly, September 1990, a copy of the document was made available to the author by the Permanent Mission of the Maldives to the United Nations.

³⁷¹ Prime Minister Vohor, address to the 52nd Session of the United Nations General Assembly, September 1997, a copy of the address was made available to the author by the Permanent Mission of the Maldives to the United Nations.

3.3a - Multilateralism - Vanuatu and the Maldives

Multilateralism enabled Vanuatu and the Maldives to secure several gains in the area of economic development. It is not the contention of this thesis that these two states were solely responsible for all these gains but that they were able to contribute to their economic development through multilateral institutions. It should however be acknowledged that given the multitude of interests at work within multilateral organisations not all developments through them serve the best interest of small island states. Nevertheless, multilateralism has been favourable overall for both Vanuatu and the Maldives.

Multilateralism proved very important for Vanuatu and the Maldives in their endeavour to protect their marine resources from destructive practices such as driftnet fishing. As mentioned before, driftnet fishing exploded in the South Pacific in 1989 posing a serious threat to the small island states of the region which were heavily dependent on fisheries for their livelihood. Concerned with this threat the South Pacific island states and New Zealand raised the issue of driftnet fishing at the Commonwealth Summit in Malaysia in 1989.³⁷² At this meeting the Commonwealth Heads of State/Government committed themselves through the Langkawi Declaration on Environment, to discourage and restrict non-

³⁷² New Zealand's role in placing the issue of driftnet fishing on the international agenda is discussed in, Palmer, *Environment*, op.cit., pp. 179-181; and R. Kennaway, 'Environmental Issues: The Growing International Dimension', in Kennaway and Henderson (eds.), *Beyond New Zealand II*, op. cit., pp. 151-163.

sustainable fishing practices and seek to ban tangle net and pelagic driftnet fishing.³⁷³

The same year a resolution banning driftnet fishing was tabled at the United Nations General Assembly co-sponsored by New Zealand and the United States supported by the South Pacific island states.³⁷⁴ This resolution was strongly resisted by those countries engaged in driftnet fishing such as Japan. However, the joint effort by the supporters of the resolution forced Japan and the other driftnet fishing nations to capitulate. It resulted in the United Nations General Assembly resolution 44/255 of 22 December 1989 on large-scale pelagic driftnet fishing and its impact on the living marine resources of the world's oceans and seas, which was adopted unanimously.³⁷⁵ This resolution called for immediate action by the international community to progressively reduce driftnet fishing and to place a global moratorium on this method of fishing by 30 June 1992.

The effort to protect the marine resources of small island states such as the Maldives and Vanuatu were further strengthened by developments at the multilateral level. While the Maldives or Vanuatu cannot be singled out as the initiators they contributed to these developments especially through their involvement in the AOSIS. One of these developments was Agenda 21 adopted at the United Nations Conference on Environment and Development, held in 1992.³⁷⁶

³⁷³P.D. Abeyegunawardene, et al (comp.), *South Asia Handbook of Treaties and Other Legal Instruments in the Field of Environmental Law*, UNEP, NORAD & SACEP, Colombo, 1997, p. 302.

³⁷⁴Palmer, *Environment*, op. cit., p. 180.

³⁷⁵ United Nations General Assembly resolution, A/RES/44/225, December 1989, United Nations Homepage, 1996, online available: [gopher://gopher.un.org/00/ga/recs/44/225](http://gopher.un.org/00/ga/recs/44/225), 7 June 1997.

³⁷⁶ 'Agenda 21', Paragraph 20, Chapter 17, GAIA Environmental Information System site, 5 November 1998, online available: http://www.ess.co.at/GAIA/AG21/programme_areas/A21_17B_ba.html, 12 January 1999.

Chapter 17 of Agenda 21 noted that over-fishing, poaching, degradation of the marine ecosystem and the use of inappropriate and wasteful fishing equipment was on the increase and committed nations to the sustainable use of marine resources.

In following up the issue of managing and conserving marine resources raised at the UNCED and the Law of the Sea Convention of 1982, the United Nations started work in 1993 on an international agreement on managing straddling and highly migratory fish stocks. In 1995 an agreement was reached on the implementation of the provisions of the United Nations Convention on the Law of the Sea relating to Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.³⁷⁷ This agreement included a number of measures that needed to be implemented by states at the national, regional and global levels for the conservation and sustainable use of straddling and highly migratory fish stocks.

Multilateralism has also been useful for Vanuatu in minimising some of the vulnerabilities in the area of trade. First and foremost in this respect is the preferential access to European markets gained under the Lomé Convention. The Lomé Convention was an agreement first signed in 1975 between the European Union (EU) and members of Africa, Caribbean and Pacific (ACP) group of countries. The Convention has since been renewed thrice. The existing Lomé Convention is due to expire in the year 2000. Negotiations for Lomé V began in September 1998. Vanuatu is a party to the Lomé Convention by virtue of its colonial background and geographical location. Several attempts by the Maldives to accede to the Lomé Convention

³⁷⁷ United Nations document A/CONF.164/37, September 1995, United Nations Homepage, 1996, online available: [gopher://gopher.un.org/00/LOS/CONF164/164_37.TXT8](http://gopher.un.org/00/LOS/CONF164/164_37.TXT8). 2 July 1998.

were rejected by the European Union on the basis of geographical location.

Under the Lomé Convention, Vanuatu, like the rest of the ACP states, received non-reciprocal preferential access for products to the markets of the EU member countries.³⁷⁸ Such preferential access provide ACP states like Vanuatu with a competitive edge in the European markets with respect to non-ACP countries. However, it should be mentioned that preferential access does not remove all competition. ACP states have to compete with each other and the products from the host country. Furthermore, despite market access there are so many other factors which inhibit the ability of small island states like Vanuatu to effectively take full advantage of the opportunity. Irrespective of these difficulties the Lomé Convention has been very useful for Vanuatu, although declining in importance, as evident from the country's trade statistics. Between 1989 and 1995 Vanuatu's exports to EU as a percentage of the country's total exports declined from 57 per cent to 37.4 per cent.³⁷⁹ Growth in exports to Japan was largely to account for this decline.

GSP is another similar scheme from which developing countries such as Vanuatu and the Maldives have been benefiting. Under the GSP scheme member states of the Organisation for Economic Co-operation and Development (OECD) provide preferential market access to developing countries. It was through the work of the United Nations Conference on Trade and Development (UNCTAD) that this scheme was

³⁷⁸ The characteristics and contents of the four Lomé Conventions are tabulated in, E.R. Grilli, *The European Community and the Developing Countries*, Cambridge University Press, Cambridge, 1993, pp. 28-29.

³⁷⁹ EIU, *Country Profile*, op.cit., p. 91; EIU, *Country Report*, 2nd quarter 1997, EIU, London, 1997, p.34.

operationalised in OECD countries.³⁸⁰ However, the preferences offered under the scheme are decided on a bilateral basis.

The preferences enjoyed by Vanuatu, Maldives and the rest of the developing countries under the Lomé and GSP are presently being eroded by global trade liberalisation under the Uruguay Round Agreement of the GATT, as mentioned before.³⁸¹ While the Uruguay Round may have some gains for some small island developing states in the long run, both Vanuatu and the Maldives face the potential threat of economic losses in the short term. The Commonwealth Advisory Group has estimated that beef prices in EU could possibly fall by some 20 per cent due to trade liberalisation.³⁸² A fall in beef prices would adversely affect Vanuatu's beef exports. The Commonwealth Advisory Group has further noted that cocoa is also expected to be affected by the erosion of preferences and that some exporters in the South Pacific are likely to face market loss.³⁸³

The export of manufactured garments from the Maldives is also bound to be badly hit in the near future. Garment industry developed in the Maldives directly as a result of the country's quota under the Multi Fiber Agreement (MFA). It was largely foreign companies interested in taking advantage of the quota which invested in the garment industry in the Maldives. The material and most of the labour used in the industry is imported and the country benefits from jobs and royalty (three per cent of F.O.B.) on shipments

³⁸⁰ Secretary-General of OECD, *The Generalised System of Preferences: Review of the First Decade*, OECD, 1983, p.9.

³⁸¹ An informative discussion of the impact of the Uruguay Round on the Lomé trade provisions is in, M. Davenport, A. Hewitt and A. Koning, *Europe's Preferred Partners? The Lomé Countries in World Trade*, Overseas Development Institute, London, 1995, pp. 37-52.

³⁸² Commonwealth Advisory Group, *A Future For Small States*, op. cit., p. 53.

³⁸³ Ibid., p. 55.

exported. The United States' decision following the Uruguay Round, to phase out MFA by 2005 means that the garment industry in the Maldives would virtually die out by that date unless some arrangement is made to ensure that the garments produced in the country have some form of competitive edge.³⁸⁴

Trade liberalisation is also likely to affect the export of marine products from the Maldives. Presently, marine products including frozen and canned tuna constitute almost 75 per cent of the country's exports.³⁸⁵ Some form of preferential treatment is important for the Maldives' marine products to be competitive in the international market.³⁸⁶ The erosion of preferential treatment due to trade liberalisation is likely to have a serious impact on the economy of the Maldives. As bilateral arrangements that discriminate against others become increasingly unacceptable due to WTO rules, it is perhaps a solution through multilateral organisations that will be required to cushion the impact of trade liberalisation on the Maldives.

Both the Maldives and Vanuatu have been engaged in trying to protect their economies from the negative effects of trade liberalisation. Vanuatu and the other ACP countries, in protecting their economies, are seeking to retain in the new Lomé Convention the preferential access to the EU market that they presently enjoy. It is doubtful whether they will succeed. A Green Paper published by the European Commission on relations between EU and ACP, and the mandate to

³⁸⁴ The text of the Uruguay Round decision on textiles and clothing is in, World Trade Organisation, *The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts*, GATT Secretariat, Geneva, 1994, pp. 85-137.

³⁸⁵ MPHRE, *Fifth National Development Plan 1997-2000, Summary*, MPHRE, Male', 1998, p. 18.

³⁸⁶ Fax from MIFCO, op. cit.

negotiate contained in a Commission's communication to the Council and the European Parliament expressed the desire to place the EU-ACP relationship on a new footing.³⁸⁷ This new relationship is to be based on the changed realities of the present day world and aimed at steadily integrating the ACP countries into the world economy. The EU is also aiming to make the relationship more balanced reflecting the mutual interests of both parties. This means the introduction of reciprocity that would undermine the effectiveness of any preferential market access in the new Lomé Convention. While Vanuatu is a very small country and might not be so important to EU in terms of reciprocal preferential access, any change in the Lomé Convention will apply to the former country as well.

Moreover, the future of the Lomé Convention is in doubt since the Convention offers concessions to only one group of countries and so is technically incompatible with the Uruguay Round Agreement.³⁸⁸ It is only a matter of time before the Lomé Convention becomes redundant. The EU is planning to seek a waiver from the WTO to extend the existing trade provisions under the Lomé Convention, with slight modifications, until 2005.³⁸⁹ Some parties such as the German Government have expressed their doubt that a waiver will be granted since the Lomé Convention discriminates against other developing countries.³⁹⁰

³⁸⁷ European Commission, *European Commission Green Paper on Relations Between the European Union and the ACP Countries on the Eve of the 21st Century: Challenges and Options for a New Partnership*, Office for Official Publications of the European Communities, Luxembourg, 1997.

³⁸⁸ Under the Uruguay Round Agreement discriminatory market access is allowed only within regional organisations.

³⁸⁹ J. Madeley, 'The Future of EU-ACP Cooperation: End of a Historical Relationship', *Development and Cooperation (D+C)*, No. 3, 1998, May/June, pp. 8-11.

³⁹⁰ Ibid.

The growing threat of further marginalisation of the Maldives and Vanuatu due to changes in the global economic environment highlights the importance of foreign policy at the multilateral level. As argued by the Commonwealth Advisory Group, small states have done much to protect their interests at the national and regional levels but "it is difficult to escape the conclusion that it is the international level which is decisive in setting the structure within which small states have to act and determining the agenda to which they must respond".³⁹¹

The Maldives and Vanuatu have been over the years using the multilateral forums to add their voice to the unrelenting chorus of small island states in drawing international attention to their plight in the face of the changing global economic environment. To give an example, at the Fifty-First Session of the United Nations General Assembly, Foreign Minister Jameel argued:

While globalisation and liberalisation of the world economy had given the opportunity for some developing countries to assume a more prominent status in the world economy, the Least Developed Countries, the category to which my country unfortunately belongs, has continued to get marginalised. The standard of living in LDCs have in effect declined over the years, and poverty level has intensified in many of these countries. ...This unfavourable situation, if allowed to drag on, can be calamitous for countries with severe resource constraints and fragile infrastructure like the Maldives.³⁹²

This effort by all small states to sensitise the international community to their plight has been successful only to a limited extent. The emphasis given to the particular vulnerabilities of

³⁹¹ Commonwealth Advisory Group, *A Future for Small States*, op. cit., p. 5.

³⁹² Foreign Minister Jameel, address to the Fifty-First Session of the United Nations General Assembly, 8 October, 1996, a copy of the speech was made available to the author by the Permanent Mission of the Maldives to the United Nations.

small island states at the Earth Summit and the United Nations Conference on the Sustainable Development of Small Island Developing States are indicative of the growing recognition of the plight of these states.³⁹³ The issue of the vulnerability of small states is now well placed on the agendas of the Commonwealth. The Commonwealth study, *Vulnerability: Small States in the Global Society*, demonstrates the importance assigned to the special needs of small states within the organisation.³⁹⁴

The increasing recognition of the special needs and vulnerabilities of small states led Commonwealth to set up a Ministerial Group on Small States (MGSS) in 1993. In 1994 MGSS was complemented by a Commonwealth Consultative Group on Small States (CGSS) composed of senior officials supported by Commonwealth Secretariat staff. This three tiered system is now in place to focus on the special needs of small states in areas such as trade and aid.³⁹⁵

The Commonwealth has been in the forefront in calling on the international community for special concessions for small states in the face of the potentially adverse effects of trade liberalisation on their economies. The Commonwealth Economic Declaration issued at the Edinburgh Summit argued:

We believe that world peace, security and social stability cannot be achieved in conditions of deep poverty and growing inequality. Special measures are needed to correct this, and in particular to help the integration of countries, especially small states and the Least Developed Countries, in the global economy and address the uneven development that threatens many countries.³⁹⁶

³⁹³ These meetings are discussed in more detail in chapter IV.

³⁹⁴ Commonwealth Consultative Group, *Vulnerability*, op. cit.

³⁹⁵ Ibid., p. 63.

³⁹⁶ 'The Edinburgh Economic Declaration', *Bulletin*, edition 3, Saturday 25 and Sunday 26 October 1997, online available:

In July 1998 a Commonwealth Ministerial delegation visited international economic and financial institutions such as the World Bank, International Monetary Fund (IMF), UNCTAD and WTO, seeking to broaden and strengthen the support of these organisations for the economic development of small states.³⁹⁷ As a result of these visits the World Bank and IMF for example, set up a taskforce to seek ways of dealing with the difficulties faced by small states in accessing funding for development. UNCTAD also decided to intensify its co-operation with the Commonwealth and in particular to "assist small states through analytical support and advice in negotiations for accession to the World Trade Organisation (WTO) and with regard to the provision of special and differential treatment in the world trading system".³⁹⁸

The 1985 report of the Commonwealth on the vulnerability of small states was also renewed and updated in 1997 in the context of the changed global reality. The new report, *A Future for Small States: Overcoming Vulnerability*, identified the distinct characteristics of small states particularly those that render these states susceptible to risks and threats set at a relatively lower threshold than larger countries. It emphasised small states as a group requiring special attention within the international community. The report expressed the serious concern for small states arising from, among other factors, "economic threats linked to globalisation of trade, investment, finance and production".³⁹⁹ The report in general

<http://www.thecommonwealth.org/latest/bulletin/index.html>, 3 November 1998.

³⁹⁷ UNCTAD Press Release of 13 July 1998, online available: <http://www.unctad.org/en/press/pr2758en.htm>, 13 November 1998.

³⁹⁸ Ibid.

³⁹⁹ Commonwealth Advisory Group, *A Future for Small States*, op. cit., p. XI

highlighted the enormity of threats facing small island developing states and included recommendations on the measures needed to rectify the situation.

The fact that the issue of the vulnerability of small states has been receiving increasing international attention did not mean that Vanuatu and the Maldives could relax their struggle for the protection of their economies from the adverse effects of the changing global economic environment. The decisions by the United Nations Committee on Development Planning in 1994 to graduate Vanuatu from the United Nations' list of LDCs as early as 1997, and the 1995 decision to graduate Maldives in the year 2000, are indicative of the threats still facing these small island states.⁴⁰⁰ The premature loss of LDC status would be a severe blow to the vulnerable economies of Vanuatu and the Maldives. The graduation from the list of LDCs will not only result in the loss of the high tariff concessions received in external markets but also restrict the access of these countries to concessional finance from institutions such as the World Bank and IDA. Protection against this threat of premature graduation from the list of LDCs has been one of the foreign policy priorities of both Vanuatu and the Maldives during the past few years. These countries have been arguing that the criteria used in the decision to graduate were flawed as discussed in more detail below.

The graduation of Vanuatu and the Maldives was decided based on the following criteria - Gross Domestic Product (GDP) per capita of over US \$865, and either an Augmented Physical Quality of Life Index

⁴⁰⁰ United Nations document E/1997/35, 'Report on the Thirty - First Session of the United Nations Committee on Development Planning', 5-9 May 1997, United Nations, New York, 1997, paragraph, 229.

(APQLI) of greater than 52, or an Economic Diversification Index (EDI) greater than 29.⁴⁰¹ This criteria does not take into consideration the multitude of disadvantages that arise from the size and nature of small island states including their remoteness; dependence on a very few economic sectors, heavy reliance on aid, imports and international trade; and proneness to ecological disasters such as cyclones, climate change and sea level rise, which render their economies extremely vulnerable to forces outside their own control.

In the case of the Maldives, for example, the economy is largely based on just two sectors - tourism and fisheries. Presently tourism contributes nearly 70 per cent of Maldives' foreign exchange receipts and accounted for 19.3 per cent of GDP in 1996.⁴⁰² Fisheries, the second largest sector of the economy, employs approximately 20 per cent of the country's labour force but accounts for only 10.7 per cent of the GDP.⁴⁰³ The heavy dependence on just two sectors renders the economy of the Maldives very delicate.

Moreover, the very narrow economic base of the country necessitates a relatively high import content, creating a heavy dependence on foreign exchange earnings and rendering the economy extremely reliant on exports. Consequently, a sudden decline in world tuna prices which have shown a marked tendency to fluctuate or a recession in one of the country's major tourist markets could have a

⁴⁰¹ Ibid., paragraph, 225. APQLI incorporates life expectancy, per capita calorie consumption, primary and secondary school enrolment and adult literacy; EDI includes share of manufacturing in GDP, share of labour in industry, per capita electricity consumption and exports.

⁴⁰² MPHRE, *Statistical Yearbook of the Maldives 1998*, op. cit., p.184.

⁴⁰³ Ibid., pp. 330-331. The statistic on the foreign exchange revenue generated by tourism was provided to the author verbally by the statistics section of the MPHRE, 3 March 1999.

debilitating effect on the economy of the Maldives. Tourism, the dominant sector of the country's economy, is also very sensitive to environmental threats such as coral bleaching or oil spills, which are not farfetched. Any criteria that do not take the above factors into consideration will depict a distorted picture of the economic development of the Maldives.

Following a General Assembly request in 1997 the Committee on Development Planning, after reconsidering the case of Vanuatu, came up with the conclusion that the country was due for graduation with immediate effect.⁴⁰⁴ Consequently, both Vanuatu and the Maldives have been very vocal at the United Nations over the past few years in trying to prevent premature graduation. These countries have been trying to convince the international community that their economic growth during the past decade or so provides a misleading image of the strength of their economies and that their graduation from the list of LDCs should be delayed until such time when a more comprehensive measurement that takes into consideration the vulnerability factor is available. Foreign Minister Jameel, for example, expressed his delight that the international community recognises the progress made by his country by deciding to graduate it from the list of LDCs, but argued that:

If anyone would measure these few achievements [by the Maldives] against the background of an extremely fragile economy, deprived of natural resources, high dependency on tourism and fisheries, both of which are susceptible to global economic changes, environmental and other external factors, the whole scenario can easily change from a happy and promising one to an obscure and insecure one.⁴⁰⁵

⁴⁰⁴ United Nations document E/1997/35, op. cit., paragraph 229.

⁴⁰⁵ Foreign Minister Jameel, statement to the 52nd Session of the United Nations General Assembly, New York, 3 October 1997, a copy of the statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

Similarly, Vanuatu's Prime Minister, Serge Vohor, argued at the United Nations General Assembly that the decision by the Development Committee to graduate his country with immediate effect came as a surprise and could only have been based on a lack of information.⁴⁰⁶ In dealing with this threat of premature graduation small island states including Vanuatu and the Maldives have been advocating the urgent formulation of a vulnerability index that identifies countries that are particularly at risk and warrant special treatment by financial institutions and in global economic arrangements. Both Vanuatu and the Maldives continue to argue that such an index should be used in association with the other criteria in the graduation of small island states from United Nations' list of LDCs.

The work on the construction of a vulnerability index is now underway within the Commonwealth and the United Nations.⁴⁰⁷ In an economic vulnerability index constructed by Lini Briguglio from the Foundation for International Studies of the University of Malta, Vanuatu ranked fourth and the Maldives twenty-second in a list of 114 countries.⁴⁰⁸ This vulnerability index was based solely on economic factors. It is reasonable to expect a more comprehensive index that includes both economic and environmental indicators to reveal an even higher level of vulnerability for small island states like Vanuatu and the Maldives. Based on his vulnerability index Briguglio argued that small island states were very fragile in the face of forces outside their control and that in many instances

⁴⁰⁶United Nations, *Press Release GA/9326*, 7 October 1997.

⁴⁰⁷ The evolution of the idea of constructing a vulnerability index is discussed in, L. Briguglio, 'Small Island Developing States and their Economic Vulnerabilities', *World Development*, vol. 23, No. 9, 1995, pp. 1616-1632.

⁴⁰⁸ *Ibid.*, p. 1626.

their GDP per capita was not too low conveying the impression that they had relatively strong economies when in reality they were delicate.⁴⁰⁹

Vanuatu succeeded in 1997 in convincing the General Assembly to defer the review of its graduation to the year 2000 by which time it is hoped that the vulnerability index will be complete.⁴¹⁰ The United Nations, which brings together a number of states that are bound to face in the future the same fate as Vanuatu, proved very effective in getting the graduation postponed. The membership of the United Nations also included developed countries that were sympathetic to the needs of small island states and were ready to extend their support. The Maldives and Vanuatu are presently gearing up to face the possible challenge of graduation in the year 2000.

The developmental challenges and vulnerabilities faced by small island states such as Vanuatu and the Maldives resulted in these countries becoming heavily dependent on their bilateral partners for aid. Foreign aid or ODA is as important to Vanuatu and the Maldives today as it was over the past couple of decades. The changing global economic environment has been placing additional burdens on small island states and thereby increasing their dependence on foreign aid. In trying to meet this challenge Vanuatu for example, recently launched a Comprehensive Reform Programme. This programme according to the former Prime Minister Serge Vohor, was focused "firstly, on restructuring the government in order to be more transparent, more responsive and in general to observe the principles of good governance and, secondly, it will help boost the confidence of foreign investors through the introduction of appropriate

⁴⁰⁹Ibid., p. 1624.

⁴¹⁰ United Nations General Assembly Resolution A/RES/52/210, 27 February 1998, United Nations Homepage, 1996, online available: [gopher://gopher.un.org/00/ga/recs/52/res52-en.210](http://gopher.un.org/00/ga/recs/52/res52-en.210), 3 July 1998.

legislation, such as Vanuatu Foreign Investment Act and a new fiscal policy".⁴¹¹ Such reform needs additional international support and assistance for their success.⁴¹² As such, both Vanuatu and the Maldives along with the other small states have been using their membership of multilateral organisations for calling on the international community to increase assistance.

The global trend in foreign aid makes it doubtful whether small island states will receive enough development assistance to compensate for their increasing hardship. As shown in figure 1, the overall global foreign aid from the Development Assistance Committee (DAC) member states peaked at US\$ 60.8 billion in 1992 and has declined since to a low of around US\$ 47 billion in 1997. Most of the developed states are not showing any inclination to fulfil their UNCED commitment to meet the ODA target of 0.7 per cent of GNP. Of the 21 member states of DAC only Norway, Denmark, Sweden and Netherlands have met the 0.7 per cent target.⁴¹³ The ODA disbursements of DAC as a whole were around 0.3 per cent of GNP until 1996 and fell to an all time low of 0.22 percent in 1997.⁴¹⁴

The decline in ODA of DAC member states affected the level of development assistance received by Vanuatu. As Table II shows, the foreign aid received by Vanuatu peaked in 1991 and has been declining since. In the case of the Maldives there is no clear-cut

⁴¹¹ Prime Minister Vohor, statement on the occasion of the Japan - South Pacific Forum Nations Summit, Tokyo, Japan, 13 October 1997, Pacific Islands Development Programme's (PIDP) internet page, online available: <http://pidp.ewc.hawaii.edu/PIReport/special/10-31-A.html>, 24 August 1998.

⁴¹² Ibid.

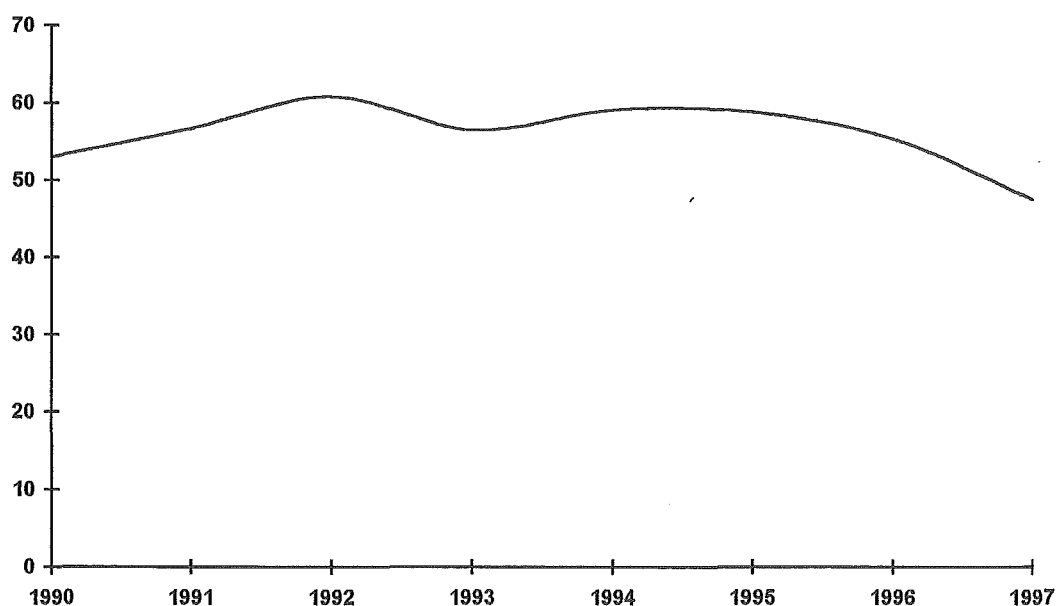
⁴¹³ DAC, *Shaping the 21st Century: The Contribution of Development Co-operation*, Report adopted at the Thirty-fourth High Level Meeting of DAC, 6-7 May 1996, OECD, Paris, 1996, p. 16.

⁴¹⁴ Ibid; DAC, 'Aid and Private Flows Fell in 1997', 14 July 1998, online available, <http://www.oecd.org/dac/htm/nw98-64a.htm>, 15 July 1998.

decline. However, there is no reason for optimism regarding future levels of ODA in spite of the growing awareness within the international community of the serious threats facing small island states. The Commonwealth Advisory Group in its report, *A Future for Small States: Overcoming Vulnerability*, argued that the emerging trends make it unlikely that the present level of ODA to small states can be sustained in the long run.⁴¹⁵

Figure 1

ODA from DAC member countries (US\$ billions)



Source: based on OECD statistics, OECD Homepage, 14 July 1998, online available at: <http://www.oecd.org/dac/pdf/aid98a.pdf>, 15 July 1998.

The emerging trends in the Commonwealth Report mentioned above include the general aid fatigue and domestic policy concerns of the major bilateral donors resulting in smaller aid budgets; the channelling of resources by bilateral and multilateral donors to new

⁴¹⁵ Commonwealth Advisory Group, *A Future for Small States*, op. cit., p. 58.

states such as Bosnia and Croatia; and the increasing inclination of donors to assist the poorest of the poor such as those countries in Sub Saharan-Africa where GDP per capita is low and poverty is overwhelming.⁴¹⁶

Table: II

Total ODA received by Vanuatu and the Maldives from 1986-1996

(in US\$ millions)

Date	Vanuatu	Maldives
1986	24	16
1987	51	19
1988	39	27
1989	39	28
1990	50	22
1991	53	35
1992	41	39
1993	35	29
1994	42	30
1995	46	56
1996	31	33
Total	451	334

Sources: J.C. Wheelér, *Development Co-operation 1990: Efforts and Policies of Members of the Development Assistance Committee*, OECD, Paris, 1990, pp.224-225; J.H. Michel, *Development Cooperation 1994: Efforts and Policies of the Members of the Development Assistance Committee*, OECD, Paris, 1994, Statistical Annex H4-H5; and OECD internet page: <http://www.oecd.org/dac/htm/table33.htm>, 15 July 1998.

These developing trends do not augur well for the Maldives and Vanuatu. As such, they cannot afford to relax their push at the multilateral level to increase the ODA budgets of donors and to gain a fair and adequate share of whatever is available. Collective action through multilateral organisations proved effective in the past, like at the UNCED, in exerting pressure on the international community. As such, small states need to collectively, through

⁴¹⁶ Ibid.

multilateral organisations, present to donors a very strong case for special treatment particularly because of the drastic changes needed to adjust to the transforming global trading system.

Moreover, a number of multilateral organisations such as the United Nations and its various branches are aid donors themselves. In the 1995/96 period, for example, Vanuatu received approximately US\$ 13.7 million in assistance from multilateral organisations.⁴¹⁷ In the same year the Maldives received approximately US\$ 15.87 million from multilateral sources.⁴¹⁸ These are substantial figures and both the Maldives and Vanuatu need to increase their influence within the aid donating multilateral organisations in order to ensure the continuation of the flow of assistance.

3.3b - Regionalism - Vanuatu

Vanuatu's attempts at the multilateral level to further its foreign policy goal of economic development were supplemented through regionalism. This section will attempt to assess the significance of regionalism in contributing towards Vanuatu's economic development related foreign policy objectives focused in this chapter.

Regionalism in the South Pacific enabled Vanuatu to minimise some of its vulnerabilities and diseconomies of scale in the area of economic development related services and trade. This was facilitated by two important factors - a) the existence of a large

⁴¹⁷ Information provided to the author by Mr. Odo Tevi, Assistant Macro Economist, National Planning Office, Ministry of Finance and Economic Management, Port Vila.

⁴¹⁸ Information provided to author by the Department of External Resources of the Maldives, Male'.

number of small island states in the region sharing similar characteristics and needs as Vanuatu; and b) the support of metropolitan powers. While Vanuatu was not solely responsible for the benefits derived through regionalism, the country's participation and contribution to the process of regional co-operation were important in realising these benefits. Some examples of these benefits in the area of services important for economic development are discussed below.

The membership of the Forum Fisheries Agency (FFA) continues to be very useful for Vanuatu in the protection of the country's marine resources. The FFA provides a range of services in the development of the fisheries industry such as the collection, analysis, evaluation and dissemination to member states of relevant statistical and biological information on the living marine resources of the region. The organisation is also actively involved in monitoring and aerial surveillance of the regional EEZs.⁴¹⁹ Monitoring and surveillance are essential in gaining some control over illegal fishing. Individual small island states like Vanuatu are not in a position to adequately undertake monitoring and surveillance of their large EEZs on their own. The South Pacific island states receive the assistance of Australia, New Zealand and France in the monitoring of their EEZs.

Australia provided 23 "Pacific class patrol boats" to police the EEZs of South Pacific island states. Vanuatu received one of these boats.⁴²⁰ In addition, Australia provides 500 hours and New Zealand

⁴¹⁹ FFA's internet page, online available:

http://www.ffa.int/frame_index2.html, 19 May 1999; and
<http://www.ffa.int/monitor.htm>, 23 November 1998.

⁴²⁰ E-mail received by author from Mr. Richards, Manager Monitoring, Control and Surveillance, of FFA, op. cit.

450 hours of aerial surveillance per year in the EEZs of the South Pacific island states. France provides approximately 90 hours of aerial surveillance each year in the EEZs of Cook Islands, Fiji and Vanuatu. Such support is invaluable for Vanuatu which does not have the capacity to adequately police its own EEZ. FFA is responsible for co-ordinating these flights.

The relative success in monitoring and surveillance of the South Pacific EEZs is demonstrated by the number of offending vessels caught. During the past 10 years, over 240 violations have been recorded resulting in the collection of over US\$ 11.5 million in fines and compensation payments from the offending parties.⁴²¹ Since 1991, a total of 9 fisheries violations within the EEZ of Vanuatu have been recorded. Of these 7 cases resulted in court convictions and approximately US\$680,000 were collected in fines.⁴²²

The FFA also provides a forum through which Vanuatu and the rest of the regional countries could join forces in dealing with Distant Water Fishing Countries, in the protection and maximisation of the benefits of the South Pacific's marine resources. The importance of this function was demonstrated by FFA's successful campaign against tuna poaching by fishing vessels from the United States. Through the effort of FFA a multilateral fishing agreement between the United States and the organisation was signed in 1987.⁴²³ This five-year agreement provided for 50 United States' vessels to be licensed to fish in the EEZs of the FFA member states. The licenses issued to

⁴²¹ E-mail dated 12 December 1998 received by the author from, Andrew H. Richards, Manager Monitoring, Control and Surveillance, of FFA.

⁴²² Ibid.

⁴²³ Henningham, *The Pacific Island States*, op. cit., p. 31 and 74.

these vessels generated approximately US\$ 10 million a year for the South Pacific island states.⁴²⁴ In 1993, the agreement was renewed for an additional 10 years and five more licenses were issued. Under this extension the total receipts from the United States increased to US\$ 18 million a year with Vanuatu receiving approximately US\$ 800,000 in fishing access fees in 1996.⁴²⁵

It is only with the United States that a multilateral fisheries agreement has yet been signed by FFA. The rest of the fishing agreements through which Vanuatu benefits are bilateral. For instance, under an agreement with Taiwan some 30 Taiwanese vessels operate in Vanuatu's EEZ, paying license fees of US\$5000 each.⁴²⁶

In protecting the marine resources of Vanuatu, regionalism was very effective in the fight against driftnet fishing. As such, the issue of driftnet fishing discussed earlier in section 3.3a is touched on here to highlight the significance of regionalism in contributing towards the protection of the marine environment. It was within the SPF that the momentum was built to thrust the issue of driftnet fishing onto the global scene. On 11 July 1989 the South Pacific island states issued the Tarawa Declaration which called on the distant water fishing nations practising driftnet fishing to immediately halt their operations in the South Pacific as a first step towards a global ban. This Declaration was followed up by regional countries in November 1989 by a Convention for the Prohibition of Fishing with Long Drift Nets in the South Pacific.

⁴²⁴ FFA's internet page, online available:

http://www.ffa.int/ffa_nonshock.htm, 19 February 1999.

⁴²⁵ Calculated from statistics in, W. Sutherland, *Review of Vanuatu's Membership of International Organisations*, a report prepared for the government of Vanuatu, 1996, p. 65, (unpublished). A copy of this report was obtained from the Department of Foreign Affairs of Vanuatu.

⁴²⁶ EIU, *Country Profile*, op. cit., p. 86.

Article 3 of the Convention required signatories to prohibit the use of driftnets and the transshipment, landing, and processing of driftnet catches within areas under their jurisdiction. The importation of any processed or unprocessed fish or products made from fish caught using driftnets, allowing access to port facilities for driftnet fishing vessels, and the possession of driftnets on board any vessel within the areas of jurisdiction of signatories, were also prohibited. Regional countries together with the United States, Canada and Chile signed the Convention.

Vanuatu is also party to the United Nations Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks concluded in December 1995. Regionalism has been very useful for Vanuatu in the implementation of the Agreement that requires states to co-operate either directly or through regional or sub-regional fisheries management organisations to ensure effective conservation and management of such stocks.⁴²⁷ These organisations are also required to perform the function of ensuring compliance and enforcement of regional and sub-regional conservation and management measures for straddling fish stocks and highly migratory fish stocks. FFA is instrumental in the South Pacific in the implementation of this Agreement. The process of regional co-operation required under the Agreement has already begun in the South Pacific as indicated by the Multilateral High Level Conference on the Conservation and Management of the Highly Migratory Fish Stocks of the Western and Central Pacific held in Majuro, Marshall Islands in June 1997, and

⁴²⁷ Agreement for the implementation of the provision of the United Nations Convention on Law of the Sea relating to the Conservation and Management of Straddling Fish Stocks and High Migratory Fish Stocks, United Nations Homepage, 1996, online available: [gopher://gopher.un.org/00/LOS/CONF164/164_37.TXT](http://gopher.un.org/00/LOS/CONF164/164_37.TXT), 20 December 1998.

the Multilateral High Level Conference now known as the Western and Central Pacific Fisheries Conference, held in Tokyo in June 1998.

Regionalism has also been effective in affording Vanuatu with economies of scale in the area of trade. Regional co-operation for instance enabled South Pacific island states to establish trade commissions in Sydney and Auckland. These Commissions play a variety of functions including those such as the dissemination of information on the Australian and New Zealand markets, promotion of foreign investment in Forum island countries, respond to a couple of thousand inquiries about trade and investment opportunities every year, maintaining a South Pacific island presence at trade fairs, and the like.⁴²⁸ In October 1996, a Pacific Islands Economic Exchange Support Centre was also opened in Tokyo under an agreement between the government of Japan and the South Pacific Forum Secretariat. This Centre is aimed at promoting trade and investment links between Japan and the Forum island countries and to encourage Japanese tourism to the region.⁴²⁹ The establishment of this Centre is as Prime Minister Vohor has noted, a "step in the right direction", but its effectiveness is yet to be seen.⁴³⁰

The non-reciprocal arrangement for duty free or concessional access for goods from regional developing island countries to the markets of Australia and New Zealand was one of the most significant steps taken at a regional level in the South Pacific to minimise the diseconomies of scale faced by the regional small island states and

⁴²⁸ SPF Secretariat Homepage, online available:
<http://www.forumsec.org.fj/docs/annual97.htm#SPTCA>, 26 December 1998.

⁴²⁹ SPF Secretariat Homepage, online available:
<http://www.forumsec.org.fj/docs/annual97.htm#PIC>, 26 December 1998.

⁴³⁰ Statement by Prime Minister Vohor on the occasion of the Japan - South Pacific Forum Nations Summit, op.cit.

to enhance trade. This arrangement was in the form of an agreement known as the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA) between Australia and New Zealand and the developing island states of the South Pacific region. The Agreement was signed on 14 July 1980 and came into effect on 1 January 1981.⁴³¹

At the theoretical level SPARTECA is more useful for Vanuatu than the Lomé Convention due to the geographical proximity of Australia and New Zealand to Vanuatu, the larger variety of products covered under the agreement, and the leniency of rules of origin.⁴³² New Zealand provides duty free and unrestricted access to all goods originating in the Forum island countries.⁴³³ Australia too provides duty free access to all except four categories of goods for which some conditions apply. Yet, in reality the benefit of SPARTECA to Vanuatu has been limited. Over the last decade the exports of Vanuatu to Australia and New Zealand did not climb above US\$ 2.2 million in any given year as evident from Table III.⁴³⁴

Sub-regional co-operation through the MSG has been an alternative for Vanuatu. In 1992 the leaders of the MSG agreed in principle to enter into a limited trade agreement based on three commodities - tea from Papua New Guinea, canned tuna from the Solomon Islands, and beef from Vanuatu.⁴³⁵ Grynberg and Kabutaulaka noted in 1995 that both Solomon Islands and Vanuatu were anxious to broaden the agreement but that Papua New Guinea which stood to lose most from

⁴³¹ South Pacific Forum Secretariat, *SPARTECA: A Reference Handbook for Forum Island Exporters*, 3rd edition, Forum Secretariat, Suva, 1992, p.1.

⁴³² Ibid. p. 2.

⁴³³ Ibid., p. 1.

⁴³⁴ Statistics Office, *Summary of Overseas Trade, Annual Report 1997*, Statistics Office, Port Vila, 1998, p.11.

⁴³⁵ R. Grynberg and T.T. Kabutaulaka, 'The Political Economy of Melanesian Trade Integration', *Pacific Economic Bulletin*, Vol. 10, no. 2, December 1995, pp. 48-60.

expanding the product coverage was very unlikely to agree.⁴³⁶ However, the trend in the other parts of the world towards free trade areas and the pressure by WTO to reduce tariff barriers, prompted Papua New Guinea and the rest of the MSG countries to consider expanding trade relations with the regional countries.

The Joint Communiqué issued following the Twelfth MSG Summit Meeting in Fiji from 23 to 24 July 1998, noted the decision of the Group to set-up a sub-committee to study the proposal for a free trade area in the region and acknowledged that "free trade was a direction which Pacific island countries must ultimately take for increased and expanded trading benefits for their peoples".⁴³⁷

Table III

Value of Vanuatu's Exports to Australia and New Zealand, from 1987-1997 (in US\$)

Date	Australia	New Zealand
1987	300,000	16,666
1988	591,000	25,000
1989	1,341,666	33,333
1990	2,133,333	41,666
1991	1,758,333	16,666
1992	2,016,666	166,666
1993	1,883,333	183,333
1994	1,525,000	141,666
1995	2,133,333	133,333
1996	800,000	400,000
1997	700,000	325,000

Source: Calculated from, Statistics Office, *Summary of Overseas Trade, Annual Report 1997*, Statistics Office, Port Vila, 1997, p. 11.

⁴³⁶ Ibid., p. 57.

⁴³⁷ Joint Communiqué issued at the end of the Twelfth MSG Summit, Korolevu, Fiji, 23-24 July 1998, official Fiji government internet page, 3 October 1998, online available: http://fiji.gov.fj/core/press/98_07_24_2.html, 26 December 1998.

Regionalism also continues to provide Vanuatu the opportunity to work collectively with the other Pacific regional states in ensuring that their special needs at this time of transformation in the global trading order, receives due recognition by the international community. The 1998 review of the Action Plan produced at the 1998 Forum Economic Ministers Meeting, noted the decision of the regional countries to develop common positions and work collectively on the following multilateral trade issues: market access discussions with post-Forum dialogue partners; the adoption of a vulnerability index through the United Nations with the aim of having such an index included among the criteria for determining LDC status, eligibility for concessional aid and preferential market access; the formulation of alliances with other countries to exert influence over the next round of WTO negotiations; seeking observer status for the SPF at the WTO General Council and relevant committees; considering the establishment of a joint office facility in Geneva for use by members engaging in the WTO process; and vigorously pursuing the deferral of the graduation of Vanuatu from the United Nations' list of LDCs until an acceptable vulnerability index is developed.⁴³⁸

In the area of development co-operation too regionalism has been very important for Vanuatu. Regionalism in the South Pacific continues to be underwritten by contributions from metropolitan powers and other external sources making it very attractive to regional small states like Vanuatu. For example, only 12 percent of FFA's budget of US\$ 4.8 million is provided by the small island developing states of the region.⁴³⁹ Vanuatu's contribution to the

⁴³⁸South Pacific Forum, 'Forum Economic Action Plan:1998 Review', online available: <http://chacmool.sdnf.undp.org/pacific/forumsec/docs/femm98.htm>, 28 December 1998.

⁴³⁹FFA's internet page: http://www.ffa.int/ffa_nonshock.htm, op. cit.

organisation stands around US\$ 15,000 per annum.⁴⁴⁰ The remaining 88 percent comes from extra-budgetary sources, the most significant of which include Australian Assistance for International Development (AusAID), the Australian Department of Defence, European Union, the Canadian International Development Agency (CIDA) the Commonwealth Secretariat, and the New Zealand Overseas Development Assistance Program (NZODA). Through FFA Vanuatu has benefited from funding assistance for attendance at regional and international fisheries meetings; extensive participation in a wide range of training programs; attachments and fellowships; consultancy services; and technical assistance. This aid received by Vanuatu through regional organisations would not have been available if not for regional co-operation in the South Pacific.

Australia has been by far the most significant contributor to the South Pacific regional programs. During the period 1992-93 to 1997-98 Australia contributed approximately A\$ 202 million to various regional programs of the South Pacific.⁴⁴¹ During the above period the average annual contribution of Australia to the various regional programs of the South Pacific was around A\$ 33 million. As the figures in table V demonstrate Australian contribution to the regional programs peaked in the 1995/96 period and seem to be on the decline. Nevertheless, regional organisations in the South Pacific still attract a significant amount of foreign aid from which Vanuatu benefits.

⁴⁴⁰ Calculated from statistics in, Sutherland, *Review of Vanuatu's Membership*, op. cit., p. 65.

⁴⁴¹ AusAID, *Australia's Overseas Aid Program 1996-97*, Australian Government Publishing Service, Canberra, 1996, p. 30; and Australian Agency for International Development's internet page, December 1998, <http://www.ausaid.gov.au/publications/general/budget97/b9706.html>, table 3, 26 April 1999.

Recent trends suggest that regionalism has an increasingly important role in future development co-operation. Although foreign aid has been on the decline globally, the total amount of aid received by regional organisations of the South Pacific like SPF, for example, have not been affected. This is because donor countries are diverting their declining foreign aid dollars from expensive bilateral programs to less costly regional projects.

Table IV

Extra budgetary assistance received by SPF (in F\$ thousands).

	Estimate							
	1990	1991	1992	1993	1994	1995	1996	1997
Australia	3008	3544	3190	3272	2975	3498	3962	3602
New Zealand	700	919	890	965	1006	1029	1087	1468
Japan	599	566	580	809	766	899	898	889
European Community	28	212	318	687	574	631	960	1176
UNDP/ESCAP	295	148	138	607	879	631	854	na
Canada	280	553	111	122	59	900	189	233
France	na	na	86	1035	217	79	338	550
Taiwan	na	na	na	na	na	28	37	451
Rep. Korea	na	na	na	na	na	na	139	100
China	na	na	na	na	na	na	53	70
USAID	na	26	73	66	81	na	na	na
Common-wealth	na	40	42	30	na	na	na	na
Miscellaneous	246	223	300	1035	217	910	100	497
Total	5156	3621	5728	7790	6728	7974	8617	9036

Sources: South Pacific Forum Secretariat, South Pacific Forum: Annual Reports, 1991/92 to 1995/96, online available: <http://forumsec.org.fj/docs/annual97.htm>, 26 December 1998; <http://forumsec.org.fj/docs/annual96.htm#CorporateServices>, 26 December 1998; Figures for 1995-1997 are estimates.

Highlighting the growing significance of regionalism in attracting aid, the Pacific Program Manager of Britain's Pacific Aid Management

Office, Mr. M. MacDonald, in a letter to this author in 1996, noted that in the South Pacific the "case for maintaining significant bilateral country programmes is weak" and therefore Britain was developing "a smaller programme on a regional basis, with the objective of maintaining a positive British presence in the region as a whole".⁴⁴² The fundamental reasons for this change in the British foreign aid to the South Pacific given by Mr. MacDonald were: 1) difficulty in reaching agreement with recipient government's on the need for and direction of policy reform; 2) lack of commitment shown by Pacific governments to policies necessary to achieve sustainable development; 3) problems with absorptive capacity; 4) the inability of Pacific governments to identify sufficient quality projects; and 5) growing emphasis on providing aid to the poorest of the poor countries.⁴⁴³ Regionalism has a role to play in addressing all these problems except for the last one. At a time when foreign aid is declining regionalism provides a useful vehicle for Vanuatu and the other small states of the South Pacific to further rationalise their foreign aid needs by pooling the available resources and avoiding wasteful duplication.

3.3c - Bilateralism - Vanuatu

Like regionalism and multilateralism, bilateralism has an invaluable function to play in the economic development of Vanuatu. The latter country, in fulfilling its developmental needs, heavily depends on bilateral support in areas such as preferential market access and

⁴⁴² Letter dated 20 September 1996, sent by Mr. Malcolm MacDonald, Pacific Programme Manager of Britain's Pacific Aid Management Office, in response to a letter from this author requesting information on Britain's foreign aid policy in the South Pacific.

⁴⁴³ Ibid.

development assistance. The significance of bilateralism in contributing towards the economic development related foreign policy objectives of Vanuatu, focused in this chapter, is assessed below.

In the protection of the marine resources bilateralism has not been of much importance to Vanuatu. The threat to marine resources is a problem faced by all the countries of the region and a regional mechanism for minimising this threat is in place. The bilateral partners of Vanuatu contribute to this regional mechanism as discussed before.

Table V

Australian Aid to Regional/Multi-country Programs in the South Pacific (A\$ million)

	<u>Expenditure</u>				<u>Estimate</u>	
	92/93	93/94	94/95	95/96	96/97	97/98
USP	2.9	2.9	4.4	5.3	4.0	-
SPF	5.3	5.5	5.4	4.5	4.5	-
Forum Secretariat	3.1	3.3	3.9	4.3	4.5	-
FFA	1.3	1.3	1.7	1.7	1.7	-
SPREP	0.0	1.3	1.2	1.4	1.2	-
Other regional Multicountry	15.7	18.6	19.7	21.9	18.1	-
Total	28.4	32.9	36.3	38.9	33.9	31.1

Source: AusAID, Australia's Overseas Aid Program 1996-97, Australian Government Publishing Service, Canberra, 1996, p. 30; and AusAID's internet page, 14 December 1998, available online: <http://www.ausaid.gov.au/publications/general/budget97/b9706.html>, table 3, 26 April 1999.

Bilateralism has been instrumental in gaining preferential market access for Vanuatu under the GSP scheme. The product coverage and the level of concessions offered under GSP are decided on a case by case basis by the country offering preferential market access. Bilateral connections with non-European OECD countries enabled Vanuatu to gain preferential access to their markets. Japan is one of those non-European OECD countries which provides preferential access to products from Vanuatu. As evident from figure 2 below, Japan was the second most important export market for Vanuatu during the past decade. The most important market for Vanuatu's exports continues to be the European Union.

Vanuatu's exports to Japan as a percentage of the country's total value of exports, is presently showing a declining trend. Between 1993 and 1997 Vanuatu's exports to Japan as a percentage of the country's total exports declined from a high of around 29 per cent to approximately 10 per cent.⁴⁴⁴ This was a decline of around US\$ 3 million from a total of approximately US\$ 5 million. The Asian crisis and competition from lower priced Australian and New Zealand beef is largely blamed for this decline in exports to Japan.⁴⁴⁵ While Vanuatu still remains the second largest beef exporter to the Japanese market there is a need to find new markets not only for beef but for other products as well.⁴⁴⁶

The benefit of exploring for potential new markets is clearly demonstrated by the sudden explosion in exports from Vanuatu to

⁴⁴⁴ Calculated from figures in, Statistics Office, *'Summary of Overseas'* op. cit., p. 11.

⁴⁴⁵ EIU, *Country Profile*, op. cit., p. 85;

⁴⁴⁶ Fax dated 23 March 1999, received by the author from Mr. Maxwell Maltok, Senior Trade Officer, Department of Trade Industries and Investment, Port Vila, Vanuatu.

Bangladesh from 1992 onwards. Until then Vanuatu had virtually no exports to Bangladesh. Since 1992 Vanuatu's copra exports to Bangladesh skyrocketed from a low of around US\$ 241,000 worth in 1992 to a high of approximately US\$ 7 million in 1996.⁴⁴⁷ In 1997 the value of exports to Bangladesh stood at around US\$ 5.2 million which represented 17.5 per cent of the total value of the country's exports for that year.⁴⁴⁸

Until recently Vanuatu did not use its bilateral connections with regional countries for the promotion of trade. Grynberg and Kabutaulaka have noted that the island states failed to develop bilateral trade among themselves based on the assumption that the markets of the South Pacific islands are too small.⁴⁴⁹ Several other factors such as transportation difficulties between the regional island countries, must have contributed to the failure to develop strong trading relations between the regional small island states. However, the WTO's provision for preferential market access within regional groupings makes it important to explore the potential of regional markets.

Faced with stiff competition in traditional markets like Japan, Vanuatu concluded a bilateral trade agreement with Fiji in 1998. The agreement allows for reciprocal duty free access for some 43 products including exports from Vanuatu such as beef, kava, vanilla, coffee, copra, ginger and timber.⁴⁵⁰ The effectiveness of this agreement is yet to be tested.

⁴⁴⁷ Statistics Office, *Summary of Overseas Trade*, op. cit., p. 11.

⁴⁴⁸ Ibid.

⁴⁴⁹ Grynberg and Kabutaulaka, 'The Political Economy', op. cit., p. 53.

⁴⁵⁰ Customs and Excise Dept., 'Customs & Excise Public Notice no. 11 of 1988: Fiji-Vanuatu Bilateral Trade Agreement (Code 122C)', Suva, 17 November 1998, the document was made available to the author by the Fiji Trade and Investment Board, Suva.

Australia and New Zealand are among the most valued bilateral partners of Vanuatu in the South Pacific. Expressing how much Vanuatu values the relationship with these two countries, Prime Minister Vohor in his statement to the Japan-South Pacific Forum Nation Summit of 1997, noted that "any framework of co-operation should be conceived in such a way that it does not jeopardise the existing development programmes and the development partnership we currently enjoy with our regional neighbours, particularly Australia and New Zealand, but it should rather reinforce them in a complementary manner".⁴⁵¹ However, Australia and New Zealand have not been very significant for Vanuatu as export markets. As mentioned before, the value of Vanuatu's exports to Australia did not climb over the US\$ 2.5 million mark in any given year during the past decade.⁴⁵² In 1997 the value of Vanuatu's exports to Australia was just 2.3 percent of the total value of the country's exports.⁴⁵³ The value of exports to New Zealand from Vanuatu remained very low at around a total of US\$1.5 million between 1987 and 1997.⁴⁵⁴ In 1997 the value of Vanuatu's exports to New Zealand was around 1 percent of the total value of the country's exports, which stood at approximately US\$ 28 million.⁴⁵⁵

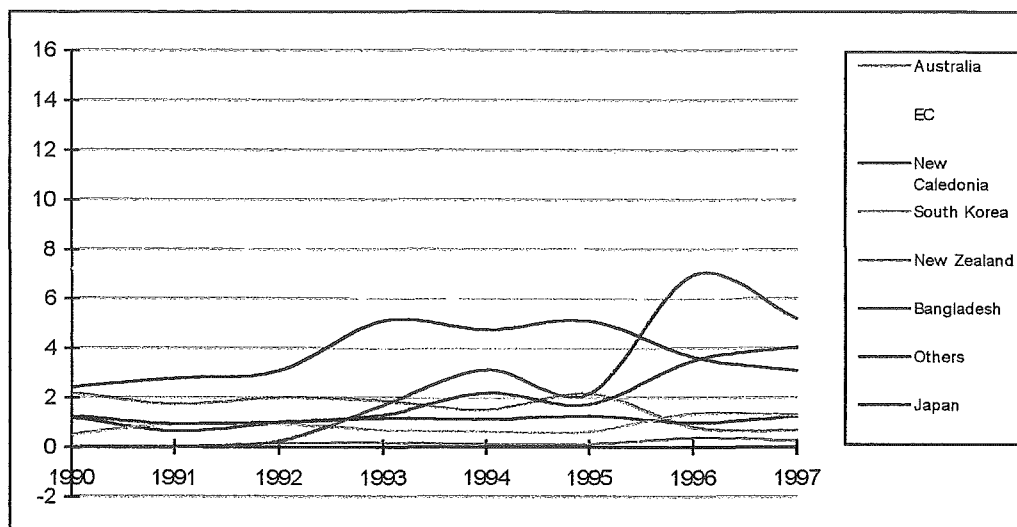
⁴⁵¹ Statement by Prime Minister Vohor, on the occasion of the Japan-South Pacific Forum Nation Summit, op. cit.

⁴⁵² See Figure II.

⁴⁵³ Calculated from figures in, Statistics Office, *Summary of Overseas Trade*, op. cit., p. 11.

⁴⁵⁴ Ibid.

⁴⁵⁵ Ibid.

Figure 2Vanuatu's Exports by Main Destinations (US\$ millions)

Source: Calculated from statistics in, Statistics Office, *Summary of Overseas Trade Statistics, Annual Report 1997*, op. cit., p. 11.

The setting up of a free trade area in the South Pacific, presently under consideration, is not likely to improve Vanuatu's trade with Australia or New Zealand. Vanuatu already has duty free access to the Australian and New Zealand markets under SPARTECA. Therefore, unless Vanuatu is able to come up with new or competitive products, the country will not be able to take advantage of the Australian and New Zealand markets. In developing new products Vanuatu could possibly call on the financial and technical assistance of Australia and New Zealand as it has done in the past. For example, the ginger and sweet corn exports from Vanuatu to New Zealand, which began in 1997, were made possible with New Zealand's financial and technical assistance.⁴⁵⁶

⁴⁵⁶ Ministry of Foreign Affairs and Trade, *New Zealand Official Development Assistance: Annual Review 1997*, Wellington, 1997, p. 52.

Bilateralism has also been of some importance to Vanuatu in trying to ensure that the country is not prematurely graduated from the United Nations' list of LDCs. New Zealand's representative at the Economic and Social Council of the United Nations, Michael Powles, for example, argued that his delegation was disappointed with the 1997 decision of the Committee for Development Planning, to graduate Vanuatu with immediate effect, when there was growing evidence that vulnerability was a crucial limiting factor in the achievement of sustainable development.⁴⁵⁷ Such support was important in the postponement of Vanuatu's graduation to the year 2000.

One of the most important foreign policy objectives of Vanuatu, like all other small island states, is obtaining development assistance and bilateralism was invaluable for this purpose. There have been times in Vanuatu's history when other foreign policy objectives such as decolonisation or assertion of sovereignty were accorded priority over aid. Nevertheless these instances were short-lived and foreign aid re-assumed its predominant position in the foreign policy of Vanuatu. In 1980, for example, Vanuatu wanted to allow the New Caledonian Kanak independence movement to set up a 'Provisional Government' in Vila, but when France warned that it would cut off aid if that step was taken, Lini government changed its mind.⁴⁵⁸ In another incident in 1987 Vanuatu expelled the French ambassador prompting France to reduce aid to the country. Before long the Lini-government sought to normalise relations with France, most importantly because Vanuatu needed French aid. In a press statement in 1990 Lini announced that he wanted the French ambassador reinstalled in Vila, emphasising the prospective importance of

⁴⁵⁷ United Nations, *Press Release ECOSOC/5788*, 23 July 1988.

⁴⁵⁸ Henningham, *The Pacific Island States*, op. cit., p. 39.

French aid.⁴⁵⁹ Since then relations between France and Vanuatu did not deteriorate to such a low level.

In 1991 the pro-French UMP came to power in Vanuatu. Thus French aid to the country was increased drastically. Between 1991 and 1994 France increased its aid from US\$ 6.14 million to US\$ 9.36 million.⁴⁶⁰ However this increment was short-lived. France discouraged unrealistic expectations of large increases in aid and encouraged UMP to look for aid from New Zealand and Australia.⁴⁶¹ Presently France provides Vanuatu approximately US\$ 3.7 million in aid.⁴⁶² This is a significant amount for a small island state like Vanuatu.

Australia has been one of the most important bilateral partners of Vanuatu in the area of development co-operation. As such Vanuatu has tried to maintain close relations with Australia. However there have been a couple of times when friction developed between the two countries, like in 1987 when Vanuatu banned Australian military vessels from entering its territory. In this instance relations were quickly patched up and it did not affect foreign aid. Similarly in 1991 Korman ordered the Australian Acting High Commissioner to leave the country and relations cooled between the two countries for a couple of months. However, relations did not deteriorate to such an extent that foreign aid was affected.

⁴⁵⁹ Ibid., p. 40.

⁴⁶⁰ United Nations Homepage, 1996, online available: [gopher://gopher.un.org/00/esc/cn17/1996/backgrnd/donor.txt](http://gopher.un.org/00/esc/cn17/1996/backgrnd/donor.txt), 13 December 1998.

⁴⁶¹ Ibid. p. 41.

⁴⁶² Interview with Mr. Mundo, op. cit.

During the period 1993 to 1996 Australia provided Vanuatu with approximately A\$ 41 million in assistance.⁴⁶³ The 1997/98 Australian aid program to Vanuatu was A\$ 12.5 million. These funds together with at least an additional 1 million from the AusAID Policy and Management Reform Fund were aimed at contributing towards the needs identified in the Comprehensive Reform Program (CRP) of Vanuatu geared towards meeting the challenges of the changing global trading environment.

Vanuatu has also had very close relations with New Zealand. The assistance from New Zealand to Vanuatu between 1993 and 1996 totalled approximately NZ\$ 17 million.⁴⁶⁴ This contribution was quite substantial given the fact that the total aid received by Vanuatu during the above period amounted to a total of US\$ 195 million.⁴⁶⁵ In 1997 and 1998 New Zealand provided Vanuatu with assistance amounting to US\$ 2.9 million and US\$ 3.1 million respectively.⁴⁶⁶ New Zealand has also allocated NZ\$ 250,000 towards the CRP of Vanuatu, over and above its 1997/98 bilateral program.

Both Japan and the United Kingdom have also been very useful bilateral partners for Vanuatu. The United Kingdom, as mentioned

⁴⁶³ *Australia's Overseas Aid Program 1995-96: Budget Related Paper No. 2*, Australian Government Publishing Service, 1995, p. 25; AusAID internet page, <http://www.ausaid.gov.au/country/spac/Vanuatu.pdf>. 14 December 1998.

⁴⁶⁴ Calculated from statistics in, Ministry of Foreign Affairs and Trade, *New Zealand Official Development Assistance*, op.cit., p. 52.

⁴⁶⁵ 'Table 33. Total Net ODA from DAC Countries, Multilateral Organisations and Arab Countries to Developing Countries and Territories', Development Assistance Committee's internet page: <http://www.oecd.org/dac/htm/table33.htm>, 14 December 1998.

⁴⁶⁶ Calculated from statistics provided to author by Mr. Odo Tevi, Assistant Macro Economist, Statistics Office, during a meeting in Port Vila on 3 February 1999. Mr. Tevi cautioned that there might be slight errors in some of the figures he provided and mentioned that his office was presently in the process of verifying the accuracy of the figures.

before, had colonial ties with Vanuatu, and had been providing assistance even after independence. However British aid to Vanuatu has been on the decline over the past decade. In 1990/91 Britain's aid to Vanuatu stood at £ 6 million.⁴⁶⁷ This figure declined to £ 1.3 million in 1995/96 and further decreased to £862,000 in 1997/98. The decline in British ODA, as noted earlier, was because the case for maintaining a high level of aid was weak due to factors such as problems with absorptive capacity, identifying quality projects and the lack of commitment of island governments to policies necessary for sustainable development. The increasing hardship facing small island states owing to the changing global trading environment is likely to strengthen the case for increasing foreign aid to Vanuatu.

Japan is another very significant aid donor to Vanuatu. Between 1990 and 1994, for example, Japan provided Vanuatu approximately US\$ 44.07 million in foreign aid.⁴⁶⁸ From 1995-1997 an additional US\$12.3 million was provided by Japan as assistance.⁴⁶⁹ This is quite a significant amount of assistance from a country which did not have any colonial or historical ties with Vanuatu. Maintaining good bilateral relations with Japan is therefore important in trying to ensure that the flow of foreign aid continues.

China is the other major bilateral aid donor to Vanuatu. Chinese assistance to Vanuatu over the past decade varied. In 1992 China provided approximately US\$0.5 million.⁴⁷⁰ In 1994 the aid received

⁴⁶⁷ Fax dated 12 September 1996 from the Aid Management Office of the British High Commission in Port Vila, to the author; and information provided to the author by Mr. Nick Duggin, Programme Support Officer of the British High Commission, during a meeting on 5 February 1999, in Port Vila.

⁴⁶⁸ Economic Cooperation Bureau of the Ministry of Foreign Affairs of Japan (ed.), *Japans ODA Annual Report 1995*, Association for Promotion of International Cooperation, Tokyo, 1996, p. 484.

⁴⁶⁹ Calculated from statistics provided by Mr. Odo Tevi, op. cit.

⁴⁷⁰ Ibid.

from China increased to US\$ 6.4 million and dropped back to approximately US\$ 1.35 million in 1998. More details of Chinese aid to Vanuatu was not available to this author.

Overall, bilateral sources provide much more aid to Vanuatu than multilateral sources. Between 1992 and 1995, for example, the aid received by Vanuatu from major multilateral sources such as the United Nations Agencies, European Union, World Bank and the Asian Development Bank totalled approximately US\$7.1 million.⁴⁷¹ During the same period bilateral sources provided Vanuatu with approximately US\$ 258 million in assistance.⁴⁷² Reliable information on the assistance received by Vanuatu from all the bilateral and multilateral sources, for the period 1996-1998, was not available to this author.

3.3d - Regionalism - The Maldives

The significance of regionalism to the economic development of the Maldives has been limited compared to Vanuatu's experience. The most important reason for this is the difference between the Maldives and the rest of the regional countries reflected in their economic needs. The effectiveness of regionalism in furthering the economic development related foreign policy objectives of the Maldives is assessed below.

A number of issues of importance to small island states such as the conservation of straddling and highly migratory fish stocks, or the

⁴⁷¹ Calculated from figures in a paper entitled 'The Role and Impact of Aid in Vanuatu' presented by D.J.E. Smith, Adviser, National Planning Office, to Vanuatu Certificate in Financial Management and Accountancy course, 6 November 1997, a copy of the document was made available to the author by Mr. Tevi, op. cit.

⁴⁷² Ibid.

protection of EEZs from poaching, have not received attention within the SAARC framework. Moreover, SAARC has not had the benefit of time, compared to regionalism in the South Pacific, to develop into a useful mechanism for the economic development of regional countries. Regionalism in South Asia is also constrained by financial limitations.

Consequently, the benefits of SAARC to the Maldives have been very limited. In the area of economic development related services only a very few are provided to member states through the organisation. SAARC for example, maintains and disseminates databases on trade, investment, and trade control measures both within and outside the region.⁴⁷³ The SAARC Chamber of Commerce and Industry (SCCI) organises regional trade fairs which enable South Asian states to introduce their products to the regional business community. However, as figure 3 below demonstrates these fairs have not been of much use to the Maldives.

The most ambitious step taken by the South Asian countries in the area of enhancing regional trade was the South Asia Preferential Trading Arrangement (SAPTA) signed in 1993. This agreement provided the framework for gradual or step by step elimination of barriers to intra-regional trade "in such a manner that the countries of the region share the benefits of trade expansion equitably".⁴⁷⁴ The agreement attempted to avoid controversy by allowing each member country to decide the trade concessions it wishes to exchange with each of the other countries. The agreement provided for safeguard measures and balance of payment measures that could be activated by

⁴⁷³ SAARC Homepage, 3 May 1998, online available: <http://www.south-asia.com/saarc/data.htm>, 25 December 1998.

⁴⁷⁴ 'Agreement on SAARC Preferential Trading Arrangement (SAPTA)', preamble.

any contracting party to protect itself from the negative impact of trade liberalisation. This approach was realistic given the persistence of a number of contentious bilateral issues and the disparities between the regional economies.

The framework agreement on SAPTA also contained provisions for the special treatment of least developed states in areas such as duty free access; deeper tariff preferences for exports; removal of non-tariff and where appropriate para-tariff barriers; negotiation of long-term contracts with a view to assisting the achievement of reasonable levels of sustainable exports of their products; special consideration in the application of safeguard measures; and greater flexibility for LDCs to impose restrictions on imports in critical circumstances.⁴⁷⁵ Such provisions are very important for the Maldives due to its vulnerability.

The SAPTA entered into force in 1995. The operationalisation of SAPTA was a sign of SAARC's potential for more substantial regional trade co-operation in the future. Under SAPTA three rounds of trade negotiations have already been held. The Ninth SAARC Summit held in Male' decided to deepen and widen tariff cuts while simultaneously removing non-tariff barriers and structural impediments so as to quickly move towards the goal of establishing a South Asia Free Trade Area (SAFTA).⁴⁷⁶ SAARC leaders at the Summit recognised the importance of achieving the goal of SAFTA by the year 2001. This recognition was reiterated at the Tenth SAARC Summit held in Colombo in 1998.

⁴⁷⁵ Ibid., Article 10.

⁴⁷⁶ 'The Declaration of the Ninth SAARC Summit', 14 May 1997, Male', a copy of the document was made available to the author by the Ministry of Foreign Affairs, Male'.

Despite the significance of SAPTA as an important step in regional co-operation in South Asia in general, the value of trade liberalisation to the Maldives is not clear yet. A detailed study of the impact and potential impact of SAPTA and SAFTA respectively, have not been undertaken. Available statistics on trade demonstrate that the Maldives' imports from the region were rising even prior to the SAPTA and that the trend is continuing today. Between 1993 and 1997 imports from South Asian countries to the Maldives rose from approximately US\$ 27 million to US \$ 72 million.⁴⁷⁷ However, the value of Maldives' exports to the region remained constant from the pre-SAPTA period. Between 1993 and 1997 the exports of the Maldives to South Asia fluctuated between approximately US\$ 9.5 million and 11 million. The reason for this lies in the fact that the Maldives presently does not have sufficient and appropriate export products to take advantage of the SAPTA concessions. Moreover, the major export products of the Maldives such as garments and canned tuna have not received concessions under SAPTA.

A number of factors suggest that SAFTA will also not be of much benefit to the Maldives presently. One reason is the potential loss in government revenue due to trade liberalisation. Presently import duties constitute approximately one third of the Maldives' government revenue.⁴⁷⁸ Approximately one fifth of the value of duties received by the government is generated from imports from the region.⁴⁷⁹ Thus it is estimated that the Maldives stands to lose around US\$ 8.5 million per year in the first few years of the next century if all tariffs on regional imports are eliminated under

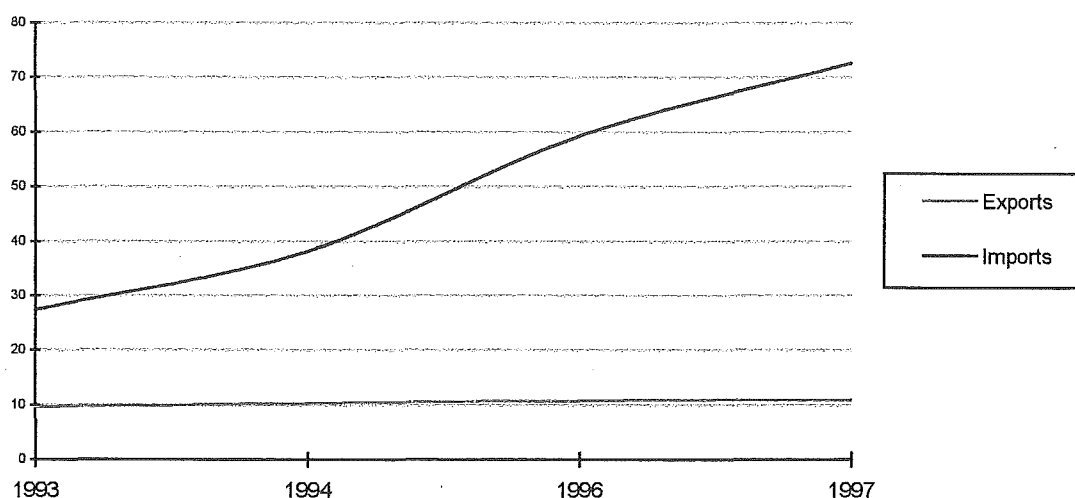
⁴⁷⁷ MPHRE, *Statistical Yearbook of the Maldives 1998*, MPHRE, 1998, pp. 188, 202.

⁴⁷⁸ Ibid., p. 163.

⁴⁷⁹ Ibid., pp. 187-190.

SAFTA.⁴⁸⁰ This loss will be quite a burden for a small island state like the Maldives. Thus, the Maldives will be forced to activate the safeguard measures which are expected to be a part of the agreement unless the country manages to increase its exports to the region to compensate for the loss.

Figure 3
Regional Imports and Exports of the Maldives from 1993-1997
(US\$ millions)



Source: Calculated from statistics in MPHRE, *Statistical Yearbook of Maldives 1995*, op. cit., pp. 185-87, 198; MPHRE, *Statistical Yearbook of the Maldives 1998*, MPHRE, 1998, pp. 188 & 202.

The ability of Maldives to take advantage of preferential access to regional markets is not very promising at least in the short term as

⁴⁸⁰ Information provided to the author by an Official of the Ministry of Finance of the Maldives, Male', 26 February 1999.

demonstrated by the performance of the country's exports under SAPTA. Being a small island state with a narrow resource base, the exports of Maldives are few with canned tuna being the main export product. Unfortunately there is not much demand in the regional countries for this product. Attempts by the Maldives to market canned tuna in Sri Lanka for example, has not proved very successful.⁴⁸¹ In the long-run however, the Maldives might be able to take advantage of some niches within the large potential markets of the SAARC region.

The effectiveness of regionalism for the Maldives in obtaining development assistance has also been very limited. The developmental needs of the Maldives shaped by its unique geography are different from the rest of the regional countries. These differences limit the benefits to the Maldives of development assistance received by SAARC. For example, a regional study on land transport funded by foreign aid will be very useful to all the South Asian countries except the Maldives. This is because the land area of the islands of the country are so small that motor vehicles are very rare except in Male', and related infrastructure like railways, and bridges common to other countries of South Asia do not exist in the Maldives. As such, the Maldives is keen to ensure that foreign aid provided to SAARC does not in any way interfere with the country's bilateral aid program.

Moreover, SAARC's effectiveness in attracting foreign aid has been very limited. A SAARC-Japan Special Fund was set-up in 1993 under which Japan has provided US\$ 500,000 for the activities of the organisation. This Fund has been useful in supplementing the

⁴⁸¹ Fax from MIFCO, op. cit.

financial commitments of member states in organising SAARC activities and programs.⁴⁸² A South Asia Development Fund (SADF) has also been formally established in 1996 for the purpose of "mobilising global surpluses for the development of South Asia".⁴⁸³ This fund brought under its umbrella two earlier SAARC funds namely SAARC Fund for Regional Projects (SFRP) and the SAARC Regional Fund (SRF). SADF aims to contribute to regional development in the following areas: a) identification of development projects; b) institutional and human resource development projects; and c) social and infrastructure development projects. To date the Fund has financed feasibility studies for 13 projects.

SAARC has signed Memorandums of Understanding (MOUs) with a number of international organisations including UNCTAD, Asia Pacific Telecommunity (APT), European Community (EC), and ESCAP. These MOUs provide for co-operation and assistance in the development of South Asia region. Under the MOU with UNCTAD, for example, SAARC receives updated copies of its Trade Analysis and Information Systems (TRAINS) on a regular basis. The MOU with ESCAP provides for co-operation on development issues through joint studies, workshops seminars and exchange of information and documentation on poverty alleviation, human resource development, trade promotion, foreign direct investment, and so on. The benefits of these MOUs to the Maldives have been very modest. Through the MOU with ESCAP for instance the Maldives has received technical assistance for the alignment of trade documents, and a trade documentation software for the Maldives is being developed.

⁴⁸² Y.K. Silwal, Secretary General of SAARC, 'SAARC: the First Decade', 3 May 1998, online available: <http://www.south-asia.com/saarc/1.htm>, 25 December 1998.

⁴⁸³ SAARC Secretariat, 'SAARC - A Profile', online available: <http://www.south-asia.com/saarc/c7.htm#1>, 5 January 1999.

At the Tenth SAARC Summit held in Colombo in 1998, member countries decided to harness the rich intellectual capacity of South Asia for the purpose of collective intervention in international negotiations to safeguard South Asian interests and to develop some edge for effective leverage in such negotiations.⁴⁸⁴ The process of convening of a network of researchers comprising of members of the Private Sector, Central Banks, Planning Ministries, Research Institutes and eminent economists nominated by Governments to identify, analyse and help SAARC face up to current global financial and economic developments affecting the region, is now underway.⁴⁸⁵ As in the cases discussed earlier, the relevance of the above exercise to the Maldives will probably be limited because of the vast differences between its economy and those of the other South Asian states. Unless the network of researchers focus specifically on the challenges facing small island states, the exercise will not be of much use to the Maldives.

3.3e - Bilateralism - The Maldives

The Maldives has diplomatic relations with a large number of countries as mentioned earlier. Yet, not all of these countries have been of much use to the Maldives in the area of promoting its economic development related interests. It is the aim of this section to assess the significance of bilateralism in contributing towards the foreign policy objectives of the country in the area of economic development.

⁴⁸⁴ 'The Declaration of the Tenth SAARC Summit', Colombo, 31 July 1998, a copy of the document was made available to the author by the Ministry of Foreign Affairs, Male'.

⁴⁸⁵ Ibid.

Bilateralism has been of little importance to the Maldives in the protection of the country's marine resources. One of the threats to the marine resources of the country is the incidence of poaching. Quite a number of foreign fishing vessels which are caught for illegal fishing within the Maldives' EEZ are from Sri Lanka. Since the Maldives is not in a position to adequately police its EEZ and given the lack of a multilateral or regional mechanism to deal with the issue of poaching, bilateralism continues to be one of the few options for the Maldives to deal with the problem. As such, the Maldives approached the Sri Lankan authorities in 1994 for a solution to the problem of poaching. In response Sri Lanka promised to educate its own fisherman about international regulations governing such issues and to dissuade them from engaging in poaching. Since then the number of Sri Lankan vessels caught dropped from 14 in 1994 to 5 in 1997.⁴⁸⁶ However, poaching in the EEZs of the Maldives still continues today.

The contribution of bilateralism to the economic development of the Maldives has been particularly important in the areas of trade and aid. Until the early 1970s Sri Lanka was the single most important country in terms of imports and exports of the Maldives.⁴⁸⁷ The significance of Sri Lanka to the Maldives was demonstrated by the fact that Colombo was the only foreign capital in which Male' had a diplomatic mission until the 1980s.

The dependence on a single bilateral partner for imports and exports was however risky. Prior to the 1980s Maldivian fish (dried tuna),

⁴⁸⁶ This statistic was provided to the author by the Legal and Consular Affairs Department of the Ministry of Foreign Affairs of the Maldives, September 1998.

⁴⁸⁷ Phadnis and Luithui, *Winds of Change*, op. cit., p. 78.

considered a delicacy in Sri Lanka, was the only export of the Maldives and the most important source of foreign exchange for the country.⁴⁸⁸ In 1971 Sri Lanka began to curb the import of Maldivian fish due to foreign exchange problems, demonstrating the danger of depending on a single country for trade.

The restrictions imposed on the Maldives' exports to Sri Lanka led the former to look for alternative markets and products. In 1981 the trade agreement between Sri Lanka and the Maldives was renewed and Sri Lanka offered to buy dried fish at a higher price.⁴⁸⁹ However, by then Sri Lanka had lost its dominance in the Maldives' trade, although the former still remained among the top three export destinations of the Maldives.

The exports from the Maldives to Sri Lanka reached an all time high of US\$ 12.24 million in 1994. Since then the value of exports from the Maldives to Sri Lanka has remained fairly constant as evident from figure 4 below. In 1997 the value of exports from the Maldives to Sri Lanka was approximately US\$ 11.9 million.

Presently there is a bilateral arrangement between the Maldives and Sri Lanka, facilitated under SAPTA, for concessional export and import of a number of goods between the two countries. However, the agreement does not seem to have had an impact on the Maldives' exports. Most of the local exports such as dried fish or canned fish are either not covered within the products for which concessions have been offered, or the concessions received were not enough to have a major impact on trade. Even importers of products from

⁴⁸⁸ Government of the Maldives, *Maldives and its Development Partners*, op. cit., p. 15.

⁴⁸⁹ Ibid.

regional countries do not seem to be utilising the benefits under SAPTA due to the long and arduous procedures involved and the time wasted for clearing the goods.

In 1984, a Sri Lanka-Maldives Joint Commission was set up with the hope of enhancing economic and technical co-operation between the two countries. So far six sessions of the Commission have been held. However, the Maldives does not seem to have benefited much from the Commission as far as the country's exports to Sri Lanka are concerned.

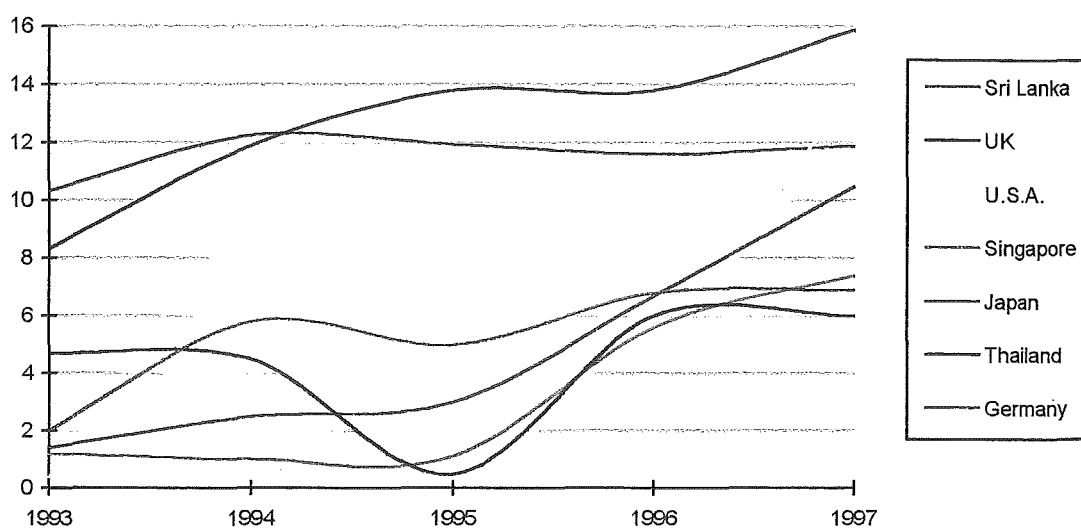
A Sub-Commission on Fisheries was set up in 1995, under the Joint Commission, for the purpose of co-operation between the two countries. This Sub-Commission has not made any substantial progress because of the differences in interest between the Maldivian and the Sri Lankan sides. As such the achievements of the Sub-Commission have been limited to those such as study tours.

India is the other South Asian country that has been of some significance, although limited, for Maldives' exports. Although the exports from the Maldives to India are increasing the income generated is still very low. The trade arrangement under the SAPTA has not been very effective in stimulating a significant level of exports. From 1987 to 1997, exports from the Maldives to India grew from US\$ 12,000 to approximately US\$ 145,000.⁴⁹⁰ The Maldives will have to identify a niche in the Indian market to cater to if it is to increase exports to India. Such a niche could prove very profitable given the size of the Indian market. GATT/WTO rules allow

⁴⁹⁰ MPHRE, *Statistical Yearbook of the Maldives 1998*, op. cit., p. 312.

for sub-regional preferential arrangements that the Maldives could exploit in increasing exports to India.

Figure 4
Exports of the Maldives by Major Destinations from 1993-1997
(US\$ millions)



Source: MPHRE, *Statistical Yearbook of the Maldives*, 1995, 1997 and 1998, pp. 198, 214 and 202 respectively.

In 1995 the United Kingdom became the dominant export market for products from the Maldives. Exports from the Maldives to the United Kingdom has been growing steadily from US\$ 8,000 in 1984.⁴⁹¹ Between the latter date and 1997 the value of exports from the Maldives to the United Kingdom increased by almost 2000 fold to US\$15.9 million.⁴⁹² Most of these exports consisted of frozen and canned tuna and other marine products.

⁴⁹¹ MPHRE, *Statistical Yearbook of the Maldives 1993*, MPHRE, Male', 1993, p. 289.

⁴⁹² MPHRE, *Statistical Yearbook 1998*, op. cit., p. 202.

The exports of the Maldives to the United Kingdom are facilitated by the tax concessions the former receives under the GSP scheme. Presently marine products exported from the Maldives to the United Kingdom do not have any tariffs imposed on them. As mentioned earlier, unless preferential treatment is received, the Maldives' will find it very difficult to compete in the European and other OECD markets.

The other main export markets of the Maldives include the United States, Japan, Germany, Singapore, and Thailand. Of these countries the United States is a member of the OECD just like Japan and Germany, but does not offer preferential treatment under GSP to products from the Maldives. The United States, in 1995, withdrew concessions for the Maldives under GSP due to dissatisfaction over labour rights in the country. The withdrawal of GSP by the United States demonstrates the danger of dependence on bilateral arrangements which are left to the whim of individual nations. Efforts by the Maldives to convince the United States that the labour conditions in the country are much better than most countries; the average salary received by unskilled and semi-skilled workers are higher than in other countries of the region; and that there is no gender discrimination or child labour in the Maldives unlike in a large number of other countries; have not yet been successful in regaining preferential treatment under GSP.

Despite the withdrawal of GSP the Maldives managed to continue exporting garments to the United States. Garments from the Maldives were competitive without GSP because the investors in the garment industry were fairly well established companies. Some of these companies were engaged in the apparel distribution business within

the United States. These companies invested in the Maldives, which presently has only six garment factories, to take advantage of the country's quota for garments in the United States' market. This quota is presently under threat as the United States plans to phase out MFA by the end of 2005. Bilateralism has a very significant role to play in trying to ensure that the Maldives receives some form of preferential treatment or competitive advantage so that the garment industry in the country could survive.

As figure 4 demonstrates, the exports of the Maldives to its major markets are growing. This includes markets such as Japan, Germany, Singapore and Thailand, discussed above. Of these markets the Maldives enjoys preferential treatment under GSP in Japan and Germany. In 1998 Maldives' exports to all these countries were marine products with the exception of approximately US\$ 2.18 million worth of garments which went to Germany.⁴⁹³ Although the Maldives' products do not enjoy GSP in Singapore and Thailand, taxes imposed on these exports are very low since the Maldives is a LDC.

Trade liberalisation under GATT/WTO and the erosion of preferences offered by developed countries are bound to have a negative effect on the exports of the Maldives to the OECD markets at least in the short-term. This means that the effectiveness of bilateralism in keeping the exports of the Maldives competitive in the international market is under threat. WTO rules do not allow for discriminatory bilateral arrangements. However, until such time when such bilateral arrangements in the area of trade are disallowed, bilateralism has an important role to play in enhancing the foreign trade of the Maldives.

⁴⁹³ Ibid.

Some of the countries that did not prove too useful as export markets have been very important for the Maldives in contributing towards the economic development related foreign policy objective of enhancing development co-operation or maximising foreign aid. India, for example, has not been a major export market for the Maldives, yet it has been very important in the area of development co-operation. India has been assisting the Maldives since the 1970s. Between 1989 and 1993 Indian assistance to the Maldives increased from US\$ 1.5 million to US\$12.8 million.⁴⁹⁴ This large increase was due to the construction of a Indian sponsored hospital in the Maldives.

Some of the other regional countries such as Pakistan have also provided a substantial amount of assistance to the Maldives over the years. Between 1994 and 1998 Pakistan provided the Maldives with assistance worth approximately US\$ 3.7 million. This was a substantial amount for a small island state like the Maldives, made possible through its bilateral connections.

Since 1993 Japan overtook India as the number one aid donor to the Maldives. Between 1990 and 1998 Japan provided the Maldives approximately US\$ 94.5 million in grant aid.⁴⁹⁵ In 1998 alone Japan provided US\$ 11.5 million in assistance.

The other major bilateral aid donors to the Maldives include Australia and Germany. In 1998 for example, Australia provided around US\$ 1.2 million in grant aid. The same year Germany provided

⁴⁹⁴ UNDP, *Development Cooperation: Maldives*, UNDP, Male', 1994, p.11.

⁴⁹⁵ Information provided to the author by the Department of External Resources of the Ministry of Foreign Affairs, Male', 1992.

US\$ 0.67 million and Pakistan US\$ 0.7 million.⁴⁹⁶ At a time when aid flows are declining, bilateralism has a very important role to play in ensuring that the Maldives receives enough aid to meet the developmental needs of the country.

Bilateral relations have also been important to the Maldives in obtaining assistance from various multilateral sources of the Middle East. Since President Gayoom came to power, Maldives established very close relations with Arab countries through bilateral channels and membership in organisations such as the OIC. These connections enabled the Maldives to gain concessional loans and grants from Arab financial institutions such as the Kuwait Fund, Saudi Fund and the Islamic Development Bank. In 1997 for instance the Maldives received US\$0.3 million as grant aid and US\$0.9 million as concessional loan from Kuwait Fund, US\$ 3.5 million as loan from the Islamic Development Bank and US\$ 0.46 million as loan from the Saudi Fund.⁴⁹⁷

Overall, bilateralism has been invaluable to the Maldives in gaining development assistance. In 1997 for instance, three fourths of the approximately US\$ 16 million received by the country as grant aid were from bilateral sources. Further, more than one third of all assistance received by the country in 1997, which amounted to US\$ 33.24 million, was from bilateral sources. Thus bilateralism continues to be the most useful strategy in contributing towards the Maldives' foreign policy objective of maximising foreign aid.

⁴⁹⁶ Ibid.

⁴⁹⁷ Ibid.

3.4- Conclusions

In the area of economic development the foreign policy strategies of multilateralism, regionalism and bilateralism had varying degrees of importance in contributing towards the different objectives in the two countries. This section will assess the significance of these strategies with respect to the objectives of Vanuatu and the Maldives.

In the case of Vanuatu, multilateralism and regionalism were important in the protection of resources. On the issue of driftnet fishing, the momentum for the fight against this wasteful fishing method was built at the regional level. However, it was with the support of the international community through multilateral organisations that a moratorium was placed on driftnet fishing. Regionalism also contributed to the protection of resources as demonstrated by the regional mechanism for monitoring and surveillance of the EEZ of Vanuatu. As a result of this mechanism to which Vanuatu's bilateral partners such as Australia and France contribute, bilateralism itself did not prove of much use for the protection of marine resources.

In minimising the effects of vulnerabilities and the promotion of trade Vanuatu has been reaping the benefits of preferential access to the OECD markets through arrangements at the multilateral level such as the Lomé Convention. Presently a large proportion of Vanuatu's trade is with OECD countries. However, the preferential treatment enjoyed by Vanuatu and other small island states is now under threat due to global trade liberalisation. This calls for collective action by all concerned states in trying to retain or receive some form of preferential treatment in market access. Such collective action by a large number of states can only take place through multilateral organisations. This highlights the continuing

importance of multilateralism for the foreign policy of small states.

The erosion of the profit margins enjoyed by small states due to global trade liberalisation also highlights the importance of regionalism for Vanuatu. The country has to seek regional or bilateral arrangements to minimise the negative impact of global trade liberalisation on its economy. SPF is exploring the potential benefits of a regional free trade area. However, existing regional arrangements such as SPARTECA have not proved very useful for Vanuatu.

Vanuatu is trying to complement its effort at the regional and multilateral levels with bilateral trade arrangements. A bilateral trade agreement has already been signed with Fiji. Vanuatu still needs to explore the potential benefits of strengthening trade relations with other regional countries.

In the fight against premature graduation from the LDC category Vanuatu found the support of small island states and other sympathetic states very useful. With the support of these states through organisations such as the Commonwealth and the United Nations, Vanuatu has now managed to defer graduation until the year 2000 by which time a vulnerability index is expected to be formulated. The SPF has also decided to work to ensure that Vanuatu is not prematurely graduated.

In contributing towards the objective of maximising foreign aid bilateral partners proved to be the most useful for Vanuatu. Regional countries such as Australia and New Zealand and others such as France, Japan and the United Kingdom have been very significant

in terms of the aid they provide to Vanuatu. Regionalism has also been useful in gaining foreign aid since the activities of regional organisations in the South Pacific are underwritten by assistance from external sources. Multilateral arrangements such as the Lomé Convention have also realised aid for the country. However, there is a declining trend in the overall aid offered by DAC countries in general and the amount received by Vanuatu. Thus, Vanuatu has to work at the multilateral, regional and bilateral levels in trying to retain the present level of foreign aid if not increase it.

In the case of the Maldives too multilateralism was important in minimising vulnerabilities and the promotion of trade. The Maldives has found multilateral forums such as the Commonwealth and the United Nations useful in drawing international attention to the problems faced by small states. Further, multilateralism is very important for the Maldives in trying to retain some form of preferential treatment despite trade liberalisation.

Regionalism has not been very useful to the Maldives in contributing towards any of the economic development related objectives. Despite SAPTA, Maldives' exports to regional countries have not improved. It is doubtful whether the proposed SAFTA will be of much use in the short term.

The Maldives receives most of its foreign aid through bilateral partners. In this respect regional countries such as India and non-regional states such as Japan and Germany have been important. The connection with Arab countries forged bilaterally and through organisations such as the OIC have been helpful in obtaining aid from certain Arab countries and financial institutions.

In the protection of resources, multilateralism and regionalism have not been very important for the Maldives. A multilateral arrangement for the monitoring and surveillance of the EEZs of small island states is still not in place. Regionalism is also not conducive for the Maldives to gain assistance in the protection of resources since contentious and bilateral issues are excluded from the ambit of SAARC. Bilateralism is the only option for the Maldives to seek assistance in protecting its marine resources.

CHAPTER IV

ENVIRONMENT PROTECTION

4.1 - Introduction

Growing international concern over the deteriorating global environment led issues related to environmental protection to move from low politics to the centre stage of high politics during the past couple of decades.⁴⁹⁸ The World Commission on Environment and Development, popularly known as the Brundtland Commission, for instance noted that the present day environmental trends are threatening to radically alter our planet, endangering the survival of a number of species upon it including the human species.⁴⁹⁹ There is no other group of countries that face this threat more seriously than small island states such as the Maldives and Vanuatu. As President Gayoom noted at the Global Conference on Sustainable Development of Small Island Developing States in 1994, environmental degradation threatens to "expose all Small Island Developing States to unimaginable dangers".⁵⁰⁰ This process has already begun and has placed environment protection among the foreign policy priorities of both the Maldives and Vanuatu.

⁴⁹⁸ A useful discussion of how environmental issues entered the political, economic and security agendas of the international community is in, C. Thomas, *The Environment in International Relations*, The Royal Institute of International Affairs, London, 1992, pp. 21-54.

⁴⁹⁹ World Commission on Environment and Development, *Our Common Future*, Oxford University Press, Oxford, 1987, p. 2.

⁵⁰⁰ President Gayoom, statement delivered on behalf of the Group of Eminent Persons on the Sustainable Development of Small Island Developing States, Bridgetown, 21 April 1994, a copy of the statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

Over the past twelve years or so the Maldives and Vanuatu shared a number of foreign policy objectives in contributing towards their goal of environment protection. Some of the most significant of these objectives have been selected for use in this chapter. It is the aim of this chapter to assess the significance or the effectiveness of multilateralism, regionalism and bilateralism in realising the foreign policy objectives of Vanuatu and the Maldives noted in section 4.2.

This chapter is divided into four parts or sections. The first section or section 4.1 is the introduction. The second section or section 4.2 discusses the shared foreign policy objectives of Vanuatu and the Maldives in their fight against the deteriorating global environment. This will be followed by section 4.3 that attempts to assess the foreign policy actions of Vanuatu and the Maldives at the multilateral, regional and bilateral levels in contributing towards their foreign policy objectives. Since the foreign policy actions of Vanuatu and the Maldives at the multilateral level largely overlap, they are discussed jointly in section 4.3a. Sections 4.3b and 4.3c will attempt to assess the foreign policy actions of Vanuatu at the regional and bilateral levels respectively. A similar exercise with respect to the Maldives will be carried out in the remaining sections 4.3d and 4.3e. Section 4.4 will attempt to conclude the chapter with an intra-country comparison of the significance or the effectiveness of multilateralism, regionalism and bilateralism in contributing towards the foreign policy objectives of Vanuatu and the Maldives.

4.2- Foreign Policy Objectives of the Maldives and Vanuatu

This chapter focuses on three of the most significant environment related foreign policy objectives shared by the Maldives and Vanuatu during the past twelve years - drawing international attention to the plight of the small island states in the face of the deteriorating global environment and placing the issue of global warming on the international agenda; influencing negotiations regarding the convention on climate change; and obtaining assistance for environment protection. These objectives are so closely inter-linked that this section will not attempt to discuss them separately. Instead the section will undertake a brief discussion of the environmental threats facing both the Maldives and Vanuatu and indicate why the objectives noted above entered the foreign policy of these two countries. The aim of the section is to provide the essential background against which the foreign policy actions of Vanuatu and the Maldives at the multilateral, regional and bilateral levels could be assessed.

4.2a - The most serious environmental threats facing the Maldives and Vanuatu and the foreign policy objectives in combating these threats

There are a number of inter-linked factors such as deforestation and desertification, which contribute to the deterioration of the global environment and the plight of the small island states. Yet it is the greenhouse gas induced global warming and climate change and marine pollution, which are the most immediate and serious environmental threats facing small island states like the Maldives and Vanuatu. The foreign policy objectives focused in this chapter stem from the

need to defend against these formidable environmental threats, which are briefly discussed below.

Scientists have estimated that the Earth's surface temperature has risen at a rapid pace of around 0.3° - 0.6° C during the last 100 years compared to a 1° C fluctuation during the 10,000 years preceding this century.⁵⁰¹ This trend is expected to continue in the predictable future with temperature increases between 1 - 3°C relative to 1990 level, by the year 2100.⁵⁰²

The increasing global temperature is an extremely serious threat to small island states due to its impact on sea level and climate patterns. Greenhouse gas induced global warming over the last 100 years or so caused the Earth's sea level to rise by 10-25 centimetres through thermal expansion and the melting of the polar ice caps.⁵⁰³ IPCC projections of sea level rise based on various scenarios range from 15 to 94 centimetres by the year 2100.⁵⁰⁴ Of these, the best estimate is said to be a rise of 50 centimetres.⁵⁰⁵

A rise in sea level by 50 centimetres will not only cause socio-economic havoc in small island states but also threaten the very existence of low-lying countries like the Maldives. The maximum elevation of land in the Maldives that is above sea level is around 3 metres while the maximum height of 80 percent of the country's land area is less than 1 metre above the mean high tide.⁵⁰⁶ This

⁵⁰¹ J.T. Houghton, L.G. M. Filho, & B. Callander (eds.), *Climate Change 1995: The Science of Climate Change*, Cambridge University Press, Cambridge, 1996, p. xii.

⁵⁰² Ibid., pp. 5-6.

⁵⁰³ Ibid., p. 363.

⁵⁰⁴ Ibid. p. 6.

⁵⁰⁵ Ibid.

⁵⁰⁶ MPHRE, *State of the Environment: Maldives*, country document prepared for the Global Conference for the Sustainable Development of Small Island Developing States, Barbados, 1994, p. 2.

means that a half a metre rise in the global sea level would render uninhabitable a large part if not the whole of the Maldives.

Mountainous small island states like Vanuatu do not face an imminent threat of being washed away from the surface of the Earth by the rising sea level. However, they too are not immune to the threat of global warming and climate change. Rising sea level will subject the shorelines of small and large countries alike to increasing erosion. Low-lying islands in the Banks and Shepherd groups of Vanuatu will be directly affected by a sea level rise of even 20 centimetres.⁵⁰⁷ Furthermore, storm surges or tidal waves that begin at a higher level than today present a very serious threat to the population and infrastructure of Vanuatu, mostly located on coastal plains.⁵⁰⁸ Global warming is also expected to increase the frequency and severity of tropical cyclones making them a more serious threat to Vanuatu that lies in the cyclone prone South Pacific.

The Maldives has already started experiencing the devastating effects of sea level rise. In 1987, unprecedented high waves and swells caused widespread damage to the infrastructure and the natural environment of a number of islands in the Maldives, estimated at around US \$ 30 million.⁵⁰⁹ A similar amount of damage was inflicted on the country again in 1991 by unusually severe storms.⁵¹⁰

⁵⁰⁷ E. Bani and B. Clarke (draft), *Country Report for UNCED: Vanuatu*, SPREP, 1992, p. 27.

⁵⁰⁸ C. Brown, *Economic Development in Seven Pacific Island Countries*, International Monetary Fund (IMF), Washington, D.C., 1989, p. 157.

⁵⁰⁹ President Gayoom, keynote address entitled, "A Warning from the Small Island Nations: Our Fate will be your Fate", delivered at the Second Municipal Leaders Summit on Climate Change, Berlin 1995, a copy of the statement was made available to the author by the Ministry of Foreign Affairs, Male'.

⁵¹⁰ MPHRE, *State of the Environment*, op. cit., p. 26.

Rising sea levels will also worsen the ground water problems facing a number of small island states like the Maldives. In Male' the ground water is already unusable for human consumption due to contamination and saline intrusion. Rising sea level is bound to aggravate this problem.⁵¹¹

Global Warming and sea level rise also pose a very serious threat to the fragile marine environment of small island states like the Maldives and Vanuatu. Coral reefs, rich in biological diversity, have a very narrow range of temperature tolerance and need to maintain themselves at a certain depth from the surface.⁵¹² The increasing global temperature could have a lethal effect on several of these reefs. Furthermore, a rapid rise in sea level within a very short period, as is occurring today, would outpace the growth of a number of coral reefs leaving them too deep for survival.

Destruction of the marine environment will have wide ranging implications for small island states. A number of coastal villages in Vanuatu and quite a large proportion of the inhabitants of the Maldives depend on the marine environment for sustenance and commerce. Thus, any damage to the marine environment is a serious threat to the inhabitants of these two countries. Furthermore, the destruction of coral reefs would mean the loss of the natural barrier that cushions the impact of the ocean on Vanuatu and the Maldives. Wave action is such a serious threat to the islands of the Maldives that tens of millions of dollars are being spent on

⁵¹¹ J.C. Pernetta, "Impact of climate change and sea-level rise on small island states", in *Global Environmental Change: Human and Policy Dimensions*, Vol. 2, no. 1, March 1992, pp.19-31.

⁵¹² B.L. Thorne-Miller and J.G. Catena, *The Living Ocean: Understanding and Protecting Marine Biodiversity*, Island Press, Washington, D.C., 1991, p. 53.

protecting the coast including the constructing of a sea-wall around Male'.⁵¹³

Pollution is another serious threat to the marine environment of the Maldives and Vanuatu. One of the major sources of pollution is accidental and illegal discharge of oil into the ocean. It is estimated that some 600,000 tonnes of oil enter the oceans because of normal shipping operations, accidents and illegal discharges.⁵¹⁴ A substantial oil spill near a small island state like the Maldives or Vanuatu could destroy coral reefs, pollute the beaches and seriously affect the fisheries and tourism industry.

The transportation and disposal of hazardous waste is yet another danger facing marine and terrestrial environment of small island states. In 1991 for example, around 120,000 tonnes of hazardous waste was exported legally from Europe to the developing world.⁵¹⁵ Every year around 2.2 million tonnes of hazardous waste is moved across boundaries. Some of this waste is transported by sea and passes through or close to the territories of small island states. Such transboundary movement and disposal of hazardous waste is a very serious threat given the potential for accidents. The concern is even more serious in the case of illegal traffic and disposal of hazardous waste.

In the face of the deteriorating global environment, most importantly global warming and climate change, there is very little

⁵¹³ Japanese aid provided for the construction of the sea-wall around Male' is noted in p. 279.

⁵¹⁴ 'Agenda 21' Chapter 17, in N.A., Robinson, (ed.), *Agenda 21: Earth's Action Plan*, IUCN Environmental Policy & Law Paper no. 27, Oceana Publications, Inc., New York, 1993, pp. 307-356.

⁵¹⁵ A. Crump, *Dictionary of Environmental Development*, Earthscan Publications Ltd., London, 1998, p. 52.

small island states like the Maldives and Vanuatu could do on their own to protect themselves. They need international assistance to tackle the various environment related problems at the local level and to find a solution to the larger issue of global warming. To gain external assistance and support, first international attention needed to be drawn to the plight of small island states and the issue of global warming and climate change had to be placed on the international agenda as elaborated in section 4.3a. Thus, drawing attention to the plight of small island states in the face of environmental degradation and placing global warming and climate change on the international agenda became a foreign policy objective of the Maldives and Vanuatu during the last few years of the 1980s.

Once climate change was on the international agenda, negotiations began on a convention on climate change, as discussed in more detail in section 4.3a. There were a number of different interest groups involved in the negotiations. Small island states like the Maldives and Vanuatu needed to influence the negotiations if they were to ensure that their needs are adequately addressed. This need also became a foreign policy objective of both Vanuatu and the Maldives since the beginning of the 1990s.

The third foreign policy objective focused in this chapter is finding ways and means of alleviating the problems related to environmental degradation. The financial and other resources of Vanuatu and the Maldives are such that these two countries cannot expect to tackle on their own, the numerous environment related problems they face. External support and assistance from regional and non-regional sources are essential in dealing with these problems. Finding ways and means of tackling these problems became a foreign policy objective of the Maldives and Vanuatu.

4.3 - Foreign Policy Actions of Vanuatu and the Maldives

This section will attempt an assessment of the significance or the effectiveness of the foreign policy actions of Vanuatu and the Maldives at the multilateralism, regional and bilateral levels. In doing so, the section will first focus on the significance of multilateralism for both Vanuatu and the Maldives in contributing towards their foreign policy objectives. These two countries have been treated together under the subheading, multilateralism - Vanuatu and the Maldives, since their actions at the multilateral level largely overlap. The section will then go on to assess the significance of regionalism and bilateralism in furthering Vanuatu's foreign policy objectives, followed by a similar assessment of the regionalism and bilateralism with respect to the Maldives.

4.3a - Multilateralism - Vanuatu and the Maldives

The most pressing problems of environmental degradation threatening Vanuatu and the Maldives are global in nature. Such global problems call for inter alia, global solutions. This does not automatically make multilateralism a particularly useful foreign policy orientation for the Maldives or Vanuatu in combating environmental degradation. The significance of multilateralism will depend on the strategy's actual or potential contribution to the foreign policies of these two countries.

The unusually high waves that struck the Maldives thrice in 1987 inflicting extensive damage propelled environmental protection onto the foreign policy priorities of the Maldives. The disaster made the Maldives realise the serious nature of the environmental dangers facing the country. It presented the government with the tasks of finding both short and long-term solutions to the problem. In the short-term the country needed to obtain foreign assistance for emergency relief and subsequent rehabilitation work. The long-term solution was more extensive and requiring the resolution of the fundamental problems responsible for environmental degradation such as global warming, climate change, deforestation and the like.

Multilateralism proved useful in meeting the short-term needs of the Maldives following the said environmental disaster. The United Nations was instrumental in appealing to the international community to generously contribute to the relief and rehabilitation effort underway in the Maldives.⁵¹⁶ The United Nations' resolution A/RES/42/202 also called on the various bodies of the United Nations system to contribute towards the formulation and implementation of a planned programme of action to strengthen the coastal defences of the Maldives.

The more complex long-term solution to the environmental threats facing the Maldives required tact and diligence in foreign policy. At the heart of the solution lay the need for far-reaching and drastic changes to the socio-economic and industrial practices within the international community. International co-operation and commitment were essential for any such solution. Before any

⁵¹⁶ United Nations General Assembly Resolution A/RES/42/202, of 11 December 1987, United Nations Homepage, 1996, online available: [gopher://gopher.un.org/00/ga/recs/42/202](http://gopher.un.org/00/ga/recs/42/202), 19 April 1998.

international action could take place, the issue needed to find its way onto the international agenda.

Some issues related to global environmental degradation such as the depletion of the ozone layer and transboundary air pollution found their way onto the international agenda between the 1950s and early 1980s. In some of these cases, international co-operation had proved successful in affording solutions, although in piecemeal fashion. The Vienna Convention of 1985 and Montreal Protocol of 1987 are examples of such international co-operation. The issue of climate change, which was the most urgent threat facing the Maldives and other small island states, was however not significant on the international agenda in 1987.

Although climate change had not received much significance on the international agenda in 1987 the scientific community was well aware of its impending threat. The increasing concern within the scientific community over the rising concentration of carbon dioxide in the atmosphere had led the International Council of Scientific Unions (ICSU), United Nations Environment Programme (UNEP) and the World Meteorological Organisation (WMO) to hold joint meetings on the issue starting in 1980.⁵¹⁷ Their 1985 meeting in Villach, Austria, concluded that increasing greenhouse gases in the atmosphere since the beginning of this century will significantly change the global climate and raise the sea-level by 20-140 centimetres in about 40 years.⁵¹⁸ The Conference noted that "climate change and sea level rise due to greenhouse gases are closely linked

⁵¹⁷ ICSU, UNEP, WMO, *World Climate Programme: Report of the International Conference on the Assessment of the Role of Carbon Dioxide and of Other Greenhouse Gases in Climate Variations and Associated Impacts*, Villach, Austria, 9-15 October 1985, WMO, 1986, foreword.

⁵¹⁸ *Ibid.*, pp.1-2 & 56-68.

with other major environmental issues, such as acid deposition and threats to the Earth's ozone shield mostly due to changes in the composition of the atmosphere by man's activities".⁵¹⁹

The Villach Conference also recommended various steps that needed to be taken by governments, regional and inter-governmental organisations in addressing this threat of global warming and sea level rise. These steps included those such as the need for governments to take account of the findings of the Conference in their socio-economic and environmental programmes and the control of the emission of greenhouse gases; enhancing public awareness; greater collaboration between scientists and policy-makers; and if necessary the initiation of the consideration of a global convention.

The identification or recognition of a problem at the scientific level does not automatically lead to international co-operation. The onus was on those states that were most concerned by the problem to place the issue on the international agenda. The foreign policy of Maldives, following the 1987 disaster, and Vanuatu since 1989 became geared towards this end.

The membership of multilateral organisations such as the Commonwealth and the United Nations proved a cost-effective avenue for the Maldives in its bid to place the issue on the global agenda. Two main factors assisted the Maldives in its effort. These factors included - a) the seriousness of the threat of global warming and sea level rise to small island states which made it a palpable concern that the international community could not ignore; and b)

⁵¹⁹ Ibid.

the existence of an epistemic community on global warming, as demonstrated by the 1985 Villach Conference, to underpin any action to place the issue on the international agenda.

The above mentioned factors provided the Maldives in 1987 a window of opportunity to draw international attention to the plight of low-lying small island states and to push for international co-operation in search of a solution. The Maldives was quick to utilise this open window of opportunity starting with the Commonwealth Heads of Government Meeting (CHOGM), held in Vancouver, Canada, in October 1987.

As an initial step the Maldives submitted to the CHOGM in Vancouver a memorandum on the threat of global warming and sea-level rise facing the international community and especially the low-lying and small but numerous members of the organisation. The threat was further elaborated by President Gayoom in his address to the Summit, in which he referred to the environmental disaster his country experienced earlier that year and explained to the assembly that small island states like the Maldives have already started to experience the devastating effects of climate change. This speech labelled by the international media covering the Summit, as the "Death of a Nation Speech", gave the issue the sense of urgency needed for early action.⁵²⁰

The attempt by the Maldives to draw the attention of the Commonwealth leaders to the issue of climate change was successful.

⁵²⁰ Interview conducted by the author with Mr. Mohamed Khaleel, Deputy Director, Environment Section, Ministry of Home Affairs and Environment, Male', 10 March 1999. Also see, Commonwealth Secretariat, *Commonwealth Heads of Government Meeting*, Vancouver, 13-17 October 1987, Commonwealth Secretariat, London, 1987, p. 26.

Then Prime Minister of Britain, Mrs. Margaret Thatcher, for example, noted in her address at the Royal Society annual dinner, that the potential impact of global warming and in particular its effect on low-lying states was "brought home" to her at the Vancouver Commonwealth Summit by President Gayoom.⁵²¹ As suggested by the Maldives the Commonwealth leaders at the Vancouver CHOGM requested the Secretary General to convene a group of experts to examine the implications to Commonwealth member countries of sea-level rise and other natural disasters resulting from climatic change.⁵²²

Shortly after the Vancouver Summit, President Gayoom raised the issue of global warming at the Forty-Second Session of the United Nations General Assembly in 1987, with the "intention of bringing the matter to the attention of the entire international community".⁵²³ It was the first time the growing threat of sea-level rise due to global warming was raised at the Heads-of-State level at the United Nations.⁵²⁴ In his speech, President Gayoom drew the attention of the United Nations community to the environmental disaster his "endangered nation" faced earlier that year due to global warming and sea level rise. He passionately explained to the assembly that "it is now a distressing probability that the environmental change caused by industrial progress in the developed world may slowly drown this unique paradise [the Maldives] in its entirety".⁵²⁵ Gayoom called on the international community to

⁵²¹ Prime Minister Thatcher's speech at the Royal Society annual dinner, 27 September 1988, quoted in M. Paterson, *Global Warming and Global Politics*, Routledge, London, 1996, p. 34.

⁵²² Ibid., pp. 26-27; Commonwealth Secretariat, *Report of the Commonwealth Secretary General 1989*, Commonwealth Secretariat, London, 1989, pp. 17-19.

⁵²³ President Gayoom, keynote address entitled, "A Warning From Small Island Nations", op. cit.

⁵²⁴ J. Leggett (ed.), *Global Warming: Green Peace Report*, Oxford University Press, Oxford, 1990, p. 431.

⁵²⁵ President Gayoom, statement to the Forty-Second Session of the United Nations General Assembly, New York, 1987, a copy of the

initiate an "all-encompassing international commitment and effort" to battle against the global threat posed by climate change.⁵²⁶

Other small states were quick to join in the lobby to place the issue of global warming on the international agenda. The United Nations General Assembly, at its Forty-Third Session in 1988, unanimously adopted a resolution submitted by Malta entitled, 'Protection of Global Climate for Present and Future Generations of Mankind', which called for timely action within a global framework to deal with global warming.⁵²⁷ The resolution also requested the UNEP and WMO to immediately initiate action leading to a comprehensive review and recommendations on a number of climate change related issues.

While small island states were trying to place global warming and sea-level rise on the international agenda, several developments favourable to their cause were taking place in the international arena. In 1988 the Canadian government sponsored the Toronto Conference called, *The Changing Atmosphere: Implications for Global Security*. The Conference was attended by more than 300 scientists and delegates from 46 countries.⁵²⁸ The Toronto Conference reconfirmed the threat of global warming and noted that "humanity is conducting an uncontrolled globally pervasive experiment whose ultimate consequences could be second only to a global nuclear war".⁵²⁹

statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

⁵²⁶ Ibid.

⁵²⁷ United Nations General Assembly document A/Res/43/53, 6 December 1988, a copy of the document was made available to the author by the Environment Section of MPHRE, Male'.

⁵²⁸ D.E. Abrahamson (ed.), *The Challenge of Global Warming*, Island Press, Washington, 1989, p. 46.

⁵²⁹ Ibid.

The effort by small states and developments such as those discussed above, heightened international awareness and concern over the incessantly deteriorating global environment. Consequently, in 1989 the United Nations General Assembly decided to convene the UNCED, with participation at the highest possible level.

In 1990, the Second World Climate Conference was held under auspices of WMO and UNEP. At this Conference, the Maldives, along with other small states, ensured that the gravity of the environmental danger facing low-lying and small island states got due recognition.⁵³⁰ Consequently, the Ministerial Declaration produced at the end of the Conference took note of the "potentially serious consequences of climate change, including the threat to the survival of low-lying and other small island states".⁵³¹

Furthermore, in 1990 the United Nations General Assembly decided to establish an Inter-governmental Negotiating Committee to prepare an effective Framework Convention on Climate Change.⁵³² Resolution A/RES/45/212 of the United Nations General Assembly assigned the Inter-governmental Negotiating Committee the task of having the Framework Convention finalised before the UNCED and have it open for signature during the Conference. The issue of Climate Change was now well and truly on the international political agenda.

⁵³⁰ MPHRE, *State of the Environment*, op. cit., p. 51.

⁵³¹ The Ministerial Declaration of the Second World Climate Conference, in J. Jager and H.L. Ferguson (eds.), *Climate Change: Science Impact and Policy: Proceedings of the Second World Climate Conference*, Cambridge University Press, Cambridge, 1991, pp. 535-539.

⁵³² United Nations General Assembly Resolution A/RES/45/212 of 21 December 1990, United Nations Homepage, 1996, online available: [gopher://gopher.un.org/00/ga/recs/45/212](http://gopher.un.org/00/ga/recs/45/212), 13 January 1999.

The next step for Maldives, Vanuatu and the rest of the small island states was to have a strong say in the negotiating process of the Convention on Climate Change. Vanuatu and the Maldives were well aware of their limitations in influencing the international community. One way of minimising these limitations was to employ what R.P. Barston has labelled "associative diplomacy".⁵³³ The main purpose of associative diplomacy is for groups of countries to co-ordinate their policies and jointly try to enhance their influence with respect to other groupings.⁵³⁴ Over the past few decades associative diplomacy has been practised, with varying degrees of success, by small states at the regional level.

The initial step for associative diplomacy among small states at the global level was taken in 1989, with the hope of jointly dealing with the threat of global warming. In 1989 the Maldives in association with the Commonwealth Secretariat, convened in Male' a ministerial meeting of small island states to consider the implication of sea-level rise and to evolve a united stance. This conference named, Small States Conference on Sea Level Rise was of a global nature. The conference was attended by small states from most regions of the world such as the Caribbean, Mediterranean, Indian Ocean, and the South Pacific. Vanuatu was among those that attended the conference.

The Small States Conference on Sea Level Rise produced a joint declaration known as the 'Male' Declaration on Global Warming and Sea Level Rise'. This declaration took note of a moral obligation on the part of the industrialised countries which were primarily responsible for climate change, to urgently initiate international

⁵³³ R.P. Barston, *Modern Diplomacy*, Longman, Essex, 1988, p. 108.

⁵³⁴ Ibid.

action to stabilise greenhouse gases and to sponsor a world-wide programme of action to combat the effects of global warming and sea-level rise. The Conference also decided to initiate an Action Group to oversee the implementation of the decisions of the Conference; to co-ordinate a joint approach on the issues of climate change, global warming and sea level rise; and to pursue and follow-up on global and regional response strategies.⁵³⁵

During the Second World Climate Conference in 1990 the co-operation between small island states was further strengthened by the formation of the Alliance of Small Island States (AOSIS) initially with a membership of 32 states. This alliance was an ad hoc organisation set up for the purpose of co-operation on the issue of climate change. AOSIS presently has a membership of 42 countries that jointly yield close to 5 per cent of the global population and almost 20 per cent of the United Nations' membership.⁵³⁶ These are significant numbers that increase the influence of small states in their fight against global warming and climate change.

Vanuatu's Permanent Representative to the United Nations, Robert Van Lierop who was actively involved in promoting the cause of small island states, was elected in 1990 as the first Chairperson of the AOSIS. The election of Van Lierop demonstrated his ability and willingness to make use of an opportunity which presented itself.⁵³⁷

⁵³⁵ Small States Conference on Sea Level Rise, *Male' Declaration on Global Warming and Sea Level Rise*, 18 November 1989, Male'.

⁵³⁶ T.N. Slade, Chairman of the AOSIS, address to the Caribbean Ministerial Meeting on the Implementation of the Barbados Programme of Action for the Sustainable Development of Small Island States, 10-14 December 1998, a copy of the document was made available to the author by the Permanent Mission of Samoa to the United Nations, New York.

⁵³⁷ Van Lierop's role on the issue of global warming is discussed in, E. Shibuya, 'Roaring Mice Against the Tide: The South Pacific Islands and Agenda-Building on Global Warming', *Pacific Affairs*, vol. 69, no. 4, 1996-1997, pp. 541-556.

His effective leadership of the AOSIS not only gave Vanuatu a significant position within the organisation, but also placed the country in the world's spotlight. It enabled Vanuatu to play a very constructive and important role in the negotiations on climate change.

The work of the Inter-governmental Negotiating Committee (INC) on climate change began in Chantilly, near Washington DC, in February 1991.⁵³⁸ At the first session of the Committee it was decided to set up two working groups to deal with the different aspects of the negotiations. Working Group 1 was to deal with the commitments that states were to make, and Working Group II was to address the question of institutions and mechanisms that were to be set up by the Convention. At the second session of the INC in Geneva, in June 1991, Ambassador Van Lierop was elected to co-chair of Working Group II. His election demonstrated the respect AOSIS, under his leadership, has acquired within the INC. However, the usefulness of AOSIS for the foreign policy of Vanuatu and the Maldives depended on the organisation's ability to influence the negotiations on the Framework Convention on Climate Change.

The negotiations on the convention that ensued at the INC meetings were tough and complex.⁵³⁹ Some of the complexity arose from factors such as the number of uncertainties still surrounding the phenomenon of climate change; the existence of a very large amount and varying degrees of producers and consumers of greenhouse gases; the different costs involved in emission reduction to different

⁵³⁸ Five sessions of the INC are discussed in, Paterson, *Global Warming*, op. cit., pp. 51- 64.

⁵³⁹ Difficulties in negotiating the convention on climate change is discussed in P. Hayes and Smith (eds.), *The Global Greenhouse Regime: Who Pays?*, The United Nations University, Tokyo, 1993, pp. 10-12.

societies; and the different levels of threat posed to different societies by climate change. Given the complexities of the issue under question, conflicts of interests emerged between groups of countries involved in the negotiations, resulting in the division of the participants into bargaining blocks. The small island states under the AOSIS constituted one of these blocs. The differences between the negotiating blocks are briefly discussed below to provide an idea of the nature of the task that confronted the AOSIS.

The INC meetings demonstrated that there were differences even within the OECD countries, mainly between the United States and the European Community. The United States being the biggest emitter of greenhouse gases in the world was in favour of the "no regrets principle" in its approach to climate change.⁵⁴⁰ Under this principle, the United States was opposed to any restrictions on greenhouse gas emission because there were still uncertainties surrounding climate change. Curative measures such as increasing energy efficiency and recycling, which would not adversely affect the United States' economy, were suggested as solutions to the problem of climate change.

In contrast to the United States the EC members were in favour of the "precautionary principle", or taking action to reduce greenhouse gases even if there was some scientific uncertainty as to the rate

⁵⁴⁰ The ranking of 50 countries according to the amount of greenhouse gases they emitted is in, *World Resources 1990-91*, Oxford University Press, Oxford, 1990, p. 15. The "No-Regrets Principle", "Keep-Options Open Principle" and the "Precautionary Principle" are discussed in J.C.I. Dooge, 'Policy Responses to Global Environmental Issues: An Overview', in R.E. Munn, J.W.M la Rivière, & N. L. Campagne (eds.), *Policy Making in an Era of Global Environmental Change*, Kluwer Academic Publishers, Dordrecht, 1996, pp. 97-112. See also, P.M. Morrisette and A.J. Plantinga, 'The Global Warming Issue: Viewpoints of Different Countries', *Resources*, Spring 1991, pp. 3-6.

and degree of global warming. The EC believed in the application of preventative measures such as the inclusion of quantified binding targets for emission reduction in the Framework Convention on Climate Change even if scientific uncertainties on the issue did exist.

There were diverse and conflicting interests even within the developing countries or the Group of 77 (G77). Some larger G77 countries that did not face an imminent threat from global warming were more interested in issues of equity between the North and the South than an urgent solution to climate change. Oil producing countries like Kuwait and Saudi Arabia were mostly interested in slowing down the negotiating process and ensuring that the agreement did not control the production and emission of carbon dioxide in any way.⁵⁴¹ The AOSIS favoured the precautionary approach in tackling global warming. The member states of the Alliance wanted to include stringent targets for carbon dioxide emission reduction in the Framework Convention.

A group within the G77 that called themselves the G24, opposed to the point of view of the AOSIS, proposed its own text at the fourth session of the INC. This text did not include any emission controls by industrialised countries.⁵⁴² AOSIS followed with its own proposal which emphasised, immediate and significant cuts in carbon dioxide and other greenhouse gas emissions by industrialised countries; equitable funding mechanisms that recognise the need to compensate vulnerable island states; transfer of environmentally sound technologies; the application of the 'polluter pays' principle in compensation for the consequences of climate change; and commitment

⁵⁴¹ Hayes and Smith, *The Global Greenhouse*, op. cit., p. 345.

⁵⁴² Paterson, *Global Warming*, op. cit., p.58.

to binding and meaningful energy conservation and efficiency requirements, and the development of alternative energy sources.⁵⁴³ Rowland has noted that despite these differences all the Southern countries were united on one issue, and that was opposition to any restriction on their use of fossil fuel until they reach a higher level or stage of development.⁵⁴⁴

After arduous negotiations a framework convention on climate change was drawn up before the UNCED or Earth Summit held in 1992. According to Van Lierop, the convention was not "the most desirable package, but it was the achievable one".⁵⁴⁵ Given the divergent interests involved on the issue of climate change with some countries favouring a "policy of inaction", the convention was an essential first step. As Van Lierop further noted, "the convention sets in train a process, that can be added to, and evolve later into what is absolutely necessary".⁵⁴⁶

The contribution of the AOSIS to the negotiating process was very important. The organisation was able to ensure that the voice of those countries most affected by climate change was heard at the negotiations. Commentators on the negotiating process have noted the importance of the role played by AOSIS. The journal *Our Planet*, produced by UNEP, for example identified AOSIS as "a key player" in the climate change negotiations.⁵⁴⁷ Similarly, Djoghlaif has pointed out that the contribution of AOSIS was highly influential in the

⁵⁴³ R.E. Taplin, 'International Policy on the Greenhouse Effect and the Island South Pacific', in *The Pacific Review*, vol. 7, no. 3, 1994, pp. 271-281.

⁵⁴⁴ I.H. Rowlands, *The Politics of Global Atmospheric Change (Issues in Environmental Politics)*, Manchester University Press, Manchester, 1995, p. 198-199.

⁵⁴⁵ Van Lierop quoted in, I. Williams, 'Hoping for Stronger Commitment', *Pacific Islands Monthly*, June 1992, p. 33.

⁵⁴⁶ Ibid.

⁵⁴⁷ UNEP, 'Power to the Small', *Our Planet*, Vol. 6, No. 1, p. 5.

negotiations on commitments.⁵⁴⁸ Oran Young has argued that because the concerns of the small island states were so real and because they had the assistance of sophisticated advisers the AOSIS proved effective in the climate negotiations despite the material weakness of its members.⁵⁴⁹

The influence of the AOSIS in the negotiating process resulted in the inclusion in the convention of several aspects that were very important for small states.⁵⁵⁰ The convention, for example, included a commitment by the developed countries to assist developing countries that were particularly vulnerable to climate change, in meeting costs of adaptation to the adverse effects of the phenomena. The convention also required developed countries to give full consideration to actions necessary under the convention including those related to funding, insurance and the transfer of technology, to meet the needs and concerns of developing countries especially small island states. These needs and concerns include those arising from the adverse effects of climate change and the impact of the implementation of response measures. Although these achievements did not fully meet the foreign policy needs of Vanuatu and the Maldives, they were definitely important contributions towards the overall goal of protecting the environment.

The negotiating process also demonstrated that there were limits to what small states like the Maldives or Vanuatu could expect despite

⁵⁴⁸ A. Djoghlaif, 'The Beginning of an International Climate Law', in, I.M. Mintzer and J.A. Leonard (eds.), *Negotiating Climate Change*, Cambridge University Press, Cambridge, 1994, p. 106-118.

⁵⁴⁹ O.R. Young, *International Governance: Protecting the Environment in a Stateless Society*, Cornell University Press, London, 1994, p. 39.

⁵⁵⁰ United Nations Framework Convention on Climate Change, in, S.P. Johnson (ed.), *The Earth Summit: The United Nations Conference on Environment and Development (UNCED)*, Graham & Trotman, London, 1993, pp. 59-78.

their best effort. During the negotiations the AOSIS made a comprehensive proposal for the establishment of an insurance pool as an integral part of the Framework Convention on Climate Change, to provide financial insurance against the consequences of sea level rise.⁵⁵¹ The proposal suggested that the financial burden of the insurance scheme be distributed among industrialised countries in an equitable manner. This scheme was in the draft convention until the very last negotiating meeting before the UNCED and then dropped as developed countries were unwilling to make the necessary financial commitment. Insurance was included in the convention only as an issue that needed to be considered by the developed countries.

The most serious disappointment for the AOSIS and others that advocated the precautionary principle during negotiations, was their inability to convince the United States to agree to commitments or a timetable for reducing carbon dioxide, the main gas responsible for global warming. The chairperson of AOSIS, Ambassador Van Lierop, noted that the "the commitment to specific commitments was just not there in the United States, and without them there is no point having a convention".⁵⁵² However, the convention was, though inadequate, a step in the right direction and in Lierop's words the only "achievable one" at that time.⁵⁵³ The Convention was opened for signature at the Rio Summit in 1992.

The Earth Summit was a welcome development for the Maldives and Vanuatu which have been struggling over the years to instigate international co-operation in combating environmental degradation and to draw attention to the plight of small island states. The

⁵⁵¹The insurance scheme proposed by AOSIS in, Hayes & Smith, *The Global Greenhouse*, op. cit., pp. 184-187.

⁵⁵² Williams, "Hoping for Stronger Commitment", op. cit.

⁵⁵³ Ibid.

Summit was one of the largest conferences in history and the first global gathering on environment and development at the heads of state or government level. The conference was attended by representatives from around 180 nations, with over 100 heads of state and government, 1500 officially accredited non-governmental organisations and 7000 journalists.⁵⁵⁴ The extent and level of participation in the Earth Summit was indicative of the near universal awareness of the threats facing the global environment and the recognition that international co-operation was necessary for a solution. The international exposure and respect gained in the quest for environmental protection, among other factors, enabled the representatives of the Maldives and Vanuatu to gain two of the nine Vice Presidential posts of the Earth Summit allocated to the Asian countries.⁵⁵⁵

The usefulness of the Earth Summit to the foreign policy of the Maldives and Vanuatu could be judged by the contribution it made towards global environmental protection. However, it is not within the scope of this thesis to assess the whole range of environment related issues such as deforestation, conservation of biodiversity, protection of deserts and the like, dealt at the Summit. This section will therefore try to focus on the factors directly related to global warming and the protection of the environment of small island states.

The Maldives, Vanuatu and other small island states at the Summit managed to persuade the international community not only to recognise their special problems but also managed to include these problems in the 27 norms or principles for state and interstate

⁵⁵⁴ Johnson (ed.), *The Earth Summit*, op. cit., pp. 4 & 509-513.

⁵⁵⁵ Ibid. p. 515.

behaviour agreed at Rio. These norms were listed in the Rio Declaration on Environment and Development - one of the five most important instruments produced at the Summit.⁵⁵⁶ Principle 6 of the Declaration stated that the "special situation and needs of the developing countries, particularly the least developed and those most environmentally vulnerable, shall be given special priority" in international action in the field of environment and development.

Agenda 21 produced at Rio was an ambitious blueprint for future action in the area of environment and development. The document covered a broad range of environment and development related issues such as poverty alleviation, human health promotion, combating deforestation, desertification and drought, and the protection of the quality and supply of fresh water. Small states at the Summit managed to include in chapter 17 of the document a section on the sustainable development of small islands. This section specified a number of activities which needed to be undertaken in the area of environment and development of small island states. The section, among other things, required international and regional organisations to give priority to the environment and development needs of small states. Furthermore, the section identified the need for periodic regional and global meetings on the sustainable development of small island states, with the first global conference in this respect to be held in 1994.

The annual financial cost (1993-2000) for implementing the activities outlined in the section on small island states was estimated at US\$130 million with US\$ 50 million to be provided by

⁵⁵⁶ The text of the Rio Declaration on Environment and Development, in, *ibid.*, pp. 118-122. The other four important instruments were the convention on biodiversity, convention on climate change, forest principles, and Agenda 21.

the international community on grant or concessional terms.⁵⁵⁷ As for the activities of Agenda 21 as a whole, the developed countries reaffirmed their commitment to increase their ODA to reach the United Nations target of 0.7 per cent of GNP. The World Bank agreed to look into increasing the funding available through its concessional lending arm, the International Development Association (IDA). The other important funding mechanism for Agenda 21 was the Global Environmental Facility (GEF), managed jointly by World Bank, UNDP and UNEP. The GEF was designated the interim funding mechanism for the conventions on climate change and biological diversity.

Vanuatu continued to play a very active role in environment related issues at the multilateral level immediately after the Rio Summit. The country's "vigorous advocacy of the AOSIS position", among other factors, enabled it to win a seat on the 53-member Commission for Sustainable Development (CSD).⁵⁵⁸ This Commission was set up in 1992 by the United Nations, as stipulated in Chapter 38 of Agenda 21. The purpose of the Commission was to oversee the implementation of the activities of Agenda 21.

The *Pacific Islands Monthly* has reported that according to diplomats, Vanuatu certainly had the opportunity to become one of the vice-presidents of CSD in 1994, which would have placed it in a "very good position to influence the agenda and to progress items of interest to the Pacific islands and the other Small Island States".⁵⁵⁹ When this opportunity presented itself in 1994 Ambassador Van Lierop had been dismissed and his successor, Jean Ravou-Akii,

⁵⁵⁷ Johnson, *The Earth Summit*, op. cit., p. 330.

⁵⁵⁸ I. Williams, 'Can Small Islands Rely on Anyone', *Pacific Islands Monthly*, July 1994, p. 38.

⁵⁵⁹ Ibid.

did not have the willingness to take advantage of it.⁵⁶⁰ Ambassador Ravou-Akii did not attend a single meeting of the two-week-long session of the CSD held in early 1994.⁵⁶¹ As such, while there was little enthusiasm for electing a newcomer as vice-president, "there was no support at all for nominating an empty chair".⁵⁶²

The effectiveness of multilateralism in contributing towards the foreign policy objectives of Vanuatu and the Maldives has been more limited in the post-Rio environment, though still important. The Global Conference on the Sustainable Development of Small Island Developing States convened in Barbados, from 25 April to 6 May 1994, for instance, had limited success in mobilising fresh resources. However the conference provided an opportunity for the small island states to strengthen their relationship and "reach consensus on their special needs and concerns, and to impress upon the industrialised world the seriousness of the plight that awaits those hapless countries if effective and urgent measures are not taken to avert the impending global environmental crises".⁵⁶³ Mrs. Annette des Isles, the Chairperson of AOSIS in 1994 and ambassador of Trinidad and Tobago to the United Nations, confirmed that the most tangible benefit of the conference was in fact the sense of unity it created among small island developing states.⁵⁶⁴ The record of AOSIS shows that unity provides some advantage in international relations.

The other most important achievement of the conference was the formulation of a comprehensive programme of action for the

⁵⁶⁰ Ambassador Lierop was dismissed in early December 1993. Pressure from France is believed to have been responsible for the dismissal of Van Lierop who played an active role within the United Nations in trying to halt French nuclear testing. See I. Williams, 'Van Lierop Dismissed', *Pacific Islands Monthly*, January 1994, p. 33.

⁵⁶¹ Ibid.

⁵⁶² Williams, 'Can Small Islands Rely on Anyone', op. cit.

⁵⁶³ President Gayoom, statement on behalf of the Group of Eminent Persons on the Sustainable Development of Small Island Developing States, op. cit.

⁵⁶⁴ I. Williams, 'North Tells Small Islands to Drown', *Pacific Islands Monthly*, June 1994, pp. 6-8.

sustainable development of small island developing states.⁵⁶⁵ This programme of action was significant, as it was more detailed than the section on small island states in Chapter 17 of Agenda 21. The programme covered a wide range of issues and specified various measures that needed to be taken at the national, regional and international levels to promote sustainable development of small island developing states.

The response of the industrialised countries to the Conference was not as enthusiastic as the Maldives or Vanuatu would have liked. The level at which industrialised countries were represented at the conference was low and not a single head of state from these countries attended. Only a few countries like Australia, New Zealand, Germany and Canada sent ministers.⁵⁶⁶ Britain, the former colonial overlord of a large number of small island states, sent only an Under Secretary of the Department of Environment. France was represented by the local ambassador to Barbados.

The attitude of the industrialised countries at the conference towards new and additional assistance to small island developing states was grudging. Just two years after the Earth Summit which acknowledged the need for new and additional financial resources to be provided to small island states, the industrial countries at the Global Conference on the Sustainable Development of Small Island Developing States refused to increase their assistance. Their justification was that most small island developing states already receive more financial aid per head of population than land based

⁵⁶⁵ The programme of action for the sustainable development of small island states, in, 'Report of the Global Conference on the Sustainable Development of Small Island States', United Nations document, A/CONF.167/9 of October 1994, Annex II, pp. 6-55, United Nations Homepage, 1996, online available: [gopher://gopher.un.org/00/conf/sids/conference/official/eng/poa.txt](http://gopher.un.org/00/conf/sids/conference/official/eng/poa.txt), 6 March 1999.

⁵⁶⁶ I. Williams, 'North Tells Small Islands', op. cit.

developing countries.⁵⁶⁷ The special needs of small island states with respect to environment and development that were responsible for the convening of the conference were ignored. However, the need to provide adequate, predictable, new and additional financial resources in accordance with Chapter 33 of Agenda 21 was included in the final report of the Conference on the insistence of small island states.⁵⁶⁸ In other words, the developed countries refused to fulfil their Rio pledges to small island states and were willing to go no further than merely reiterate them. The repetition of the pledges was important for small island states as it gave them some ammunition to keep their pressure on the developed countries for assistance.

The reluctance of the developed countries to implement their Rio pledges to small island developing states and the continuing deterioration of the global environment, meant that small states cannot afford to slacken their campaign in seeking international commitment to environment protection. As such, the Maldives and Vanuatu are continuing to be active through multilateral organisations such as the AOSIS, Commonwealth and the United Nations in pushing for international action in protecting the environment.

In 1994, Vanuatu's Ambassador Ravou-Akii became a lead negotiator in the discussions on the composition of the GEF. Vanuatu sought jointly with the rest of the small island states of the South Pacific, to gain a seat in the GEF Council. This was important for the South Pacific island states so as to have a say in the decision making process of this mechanism through which a large portion of

⁵⁶⁷ Ibid.

⁵⁶⁸ Document A/CONF.167/9, Annex II, op. cit., Section on Finance.

environmental projects were to be funded.⁵⁶⁹ However, the attempt was not too successful. Only 6 seats were allocated to the Asia and the Pacific and when it came to having a say in the nitty-gritty of aid allocation there was very little sympathy for South Pacific island states from the other countries.⁵⁷⁰ As such, the South Pacific island states had to settle for a constituency that included Indonesia and Philippines.⁵⁷¹

The assistance received by Vanuatu and the Maldives from the GEF has been very limited to-date. At the end of 1998, only US\$ 358 thousand has been allocated by GEF for global warming and biodiversity related projects in Vanuatu, and US\$10 million for South Pacific region-wide projects.⁵⁷² A total of US\$ 864 thousand was allocated by GEF for projects in the Maldives. According to Mohamed Khaleel, Deputy Director, of the Environment Section of Ministry of Home Affairs and Environment of the Maldives, funding from GEF to his country is likely to increase in the future.⁵⁷³ Mr. M. Khaleel noted that the main reasons for the low level of assistance from GEF is firstly because the organisation ran only a pilot project until 1998, and secondly, appropriate projects for funding have not been identified. Mr. Khaleel also mentioned that his ministry is now in the process of developing such appropriate projects.

⁵⁶⁹ I. Williams, 'Can Small Islands Rely on Anyone', op. cit., p. 38.

⁵⁷⁰ D. Fairman, 'The Global Environment Facility: Haunted by the Shadow of the Future', in R.O. Keohane and M.A. Levy (eds.), *Institutions for Environmental Aid*, The Massachusetts Institute of Technology Press, Massachusetts, 1996, pp. 55-88.

⁵⁷¹ I. Williams, 'Can Small Islands Rely on Anyone', op. cit., p. 39.

⁵⁷² GEF home page, 'Project Review', 12 January 1999, available online: <http://www.gefweb.org/OPERPORT/PROGLIST.PDF>, 13 February 1999.

⁵⁷³ Interview with Mr. M. Khaleel, op. cit.

The fact that a funding mechanism for environment related projects was set-up and a Framework Convention on Climate Change was signed, did not mean that small island states could relax their fight against the deteriorating global environment. The Maldives and Vanuatu are still using almost every opportunity to address international forums to ensure that the plight of small island states is not forgotten. Simultaneously, these countries are also continuing along with other small states, to play an active role in climate change negotiations through the AOSIS, which is still one of the leading players in the process.

At the first meeting of the Conference of Parties (COP) to the Framework Convention on Climate Change, held in Berlin in 1995, for example, an AOSIS submission was among the two protocol proposals that were considered. The AOSIS protocol proposal that called for emission reduction by at least 20 per cent off 1990 levels by the year 2005 was in fact the focus of COP1.⁵⁷⁴ The proposal had the support of many states but was rejected as some industrialised countries such as Japan, Canada and especially the United States and Australia were opposed to any targets or timetables.⁵⁷⁵

The failure of COP1 to adopt specific targets and timetables for emission reduction did not mean that the AOSIS protocol proposal was futile. In the negotiation of complex issues such as climate change, one cannot expect all the countries to cave in easily to the demands of any one group of states. The essential task for small states was perseverance and persistence. Success could only be gradual but cumulative. The Berlin Mandate adopted at the COP1 for example, was

⁵⁷⁴ G. Akumu, 'G77 In-Flight Reflections', in *ECO Newsletter*, Issue 10, 7 April, 1995.

⁵⁷⁵ Paterson, *Global Warming*, op. cit., pp. 67-71.

an advancement on the original Framework Convention on Climate Change, as it decided that the commitments of parties under Article 4, paragraph 2 (a) and (b) of the said convention were inadequate.⁵⁷⁶ The Mandate also established an open ended ad hoc group of parties to start negotiations for strengthening the said commitments with the aim of setting quantified emission reduction targets within a specified time-frame.

COP2 held in Geneva in 1996 built on the achievements of COP1. COP2 called for the conclusion of a protocol or another legally binding instrument to reduce greenhouse gases, which also includes feasible and achievable time-frames and timetables to reverse the concentration of gases to acceptable levels before the turn of the century. Based on this call COP3 held in Kyoto in 1997 adopted the Kyoto Protocol under which developed countries accepted a "differentiated" target, which allowed them to negotiate individual targets yielding overall at least a 5 per cent reduction in emission off the 1990 level by 2005-2008.⁵⁷⁷ The European Union accepted an 8 per cent reduction, the United States agreed to a 7 per cent reduction, and Japan, a 6 per cent cut. The Russian Federation agreed to merely stabilise its emission while Australia and Iceland were allowed to increase their emissions. Although this target fell short of the AOSIS' demand for a 20 per cent reduction in greenhouse gas emission, it was still an improvement on the measures that existed then.

COP4 held in Buenos Aires in 1998 discussed modalities for implementing the emission reduction mechanisms agreed under the

⁵⁷⁶ The Berlin Mandate, in, T. O'Riordan and J. Jager, *Politics of Climate Change*, Routledge, London, 1996, Appendix II.

⁵⁷⁷ Kyoto Protocol to the United Nations Framework Convention on Climate Change, Article 3, paragraph 1.

Kyoto Protocol. The latter Protocol is yet to come into force once it receives the signature and ratification of 55 countries, which includes developed country parties accounting for at least 55% of 1990 global carbon dioxide emissions.⁵⁷⁸ The Maldives had the honour of being the first country to sign the Kyoto Protocol.⁵⁷⁹

Despite the effort of the Maldives, Vanuatu and the rest of the small island states the global environment continued to deteriorate over the past decade.⁵⁸⁰ The sense of urgency, funds and the political will necessary to halt the degradation of the global environment is still insufficient within the international community, to have a substantial impact on the global environment.⁵⁸¹ Expressing dismay over the state of the global environment, President Gayoom, in 1997, noted that even the Barbados conference was "characteristic of the many false hopes that we have encountered since Rio" as nothing has been achieved in additional resource mobilisation and very little in technology transfer and capacity-building to promote sustainable development.⁵⁸²

Nevertheless, the effort made by Vanuatu and the Maldives to halt the deterioration of the global environment has not been in vain altogether. The steps taken at the international level for the

⁵⁷⁸ United Nations Department of Public Information, 'Setting the Record Straight: Global Climate Change', 1 October 1998, online available: http://www.un.org/plweb-cgi/idoc.pl?36+unix+free_user+www.un.org..80+un+un+webnews+webnews++convention%26adj%26on%26adj%26climate%26adj%26change, 10 December 1998.

⁵⁷⁹ Interview with Mr. M. Khaleel, op. cit.

⁵⁸⁰ UNEP, *Global Environment Outlook*, 1997, Executive Summary.

⁵⁸¹ Interview conducted by author with Mr. Ernst Bani, the Head of the Environment Unit of Vanuatu, Port Vila, 4 February 1999.

⁵⁸² President Gayoom, address to the Nineteenth Special Session of United Nations General Assembly held for the overall review and appraisal of the implementation of Agenda 21, 21-24 July 1997, a copy of the address was made available to the author by the Permanent Mission of the Maldives to the United Nations.

protection of the global environment discussed above, and as noted in the report of the Ad Hoc Committee of the whole of the Nineteenth Special Session of the United Nations General Assembly, some progress has been made in the area of environment protection during the past decade.⁵⁸³ Multilateralism proved extremely important for the Maldives and Vanuatu for their contribution towards this progress.

4.3b - Regionalism - Vanuatu

Vanuatu is located in a region consisting of a number of small island states that face numerous common environment related problems. Most of these problems are linked to the location and physical make-up of the island states. For example, all of these states are made up of one or more islands and are situated in the cyclone-prone South Pacific. Consequently, they all face the threat of devastation due to cyclones. Climate change that has the potential to increase the frequency and severity of cyclones is a very serious threat and concern for all of these states. Sea level rise is another very serious threat facing the low lying islands of Vanuatu and the rest of the region. The similarity of the threats facing Vanuatu and most of the other states of the region meant that there was scope for co-operation or a joint effort at the regional level to overcome or minimise their environmental problems.

Moreover, Vanuatu and the rest of the South Pacific island states are resource poor, making regional co-operation an important means to maximise the benefits of the limited available resources by

⁵⁸³ United Nations document A/S-19/29, of 27 June 1997, paragraphs 13-21.

avoiding wasteful duplication. Regionalism also offered Vanuatu and the rest of the small island states of the South Pacific the opportunity to realise economies of scale in the protection of their environment. Regionalism is also a vehicle that could potentially be used by these island states to join forces in influencing international developments in the area of environment protection. It is the aim of this section to assess the significance of regional co-operation in contributing towards the foreign policy objectives of Vanuatu in the area of environment protection.

Environment protection has been among the areas of regional co-operation in the South Pacific since the 1960s. The SPC, now Pacific Community was the main regional organisation involved in regional environment protection until the 1980s. Among the initiatives of the SPC in the 1970s was the convening of a Regional Symposium on Conservation of Nature - Reefs and Lagoons in 1971, and the launching of a special nature conservation project in 1974 with the appointment of a regional ecological adviser to advice territorial administrations on environment related issues.⁵⁸⁴

In 1976 the SPC and the International Union for the Conservation of Nature convened a regional conference in the capital of Western Samoa, at which the Convention on the Conservation of Nature in the South Pacific, also known as the Apia Convention, was adopted on 12 June 1976.⁵⁸⁵ This Convention primarily encouraged states to establish protected areas to preserve the natural ecosystems and to protect and preserve the flora and fauna of the South Pacific.

⁵⁸⁴J. Carew-Reid, *Environment, Aid and Regionalism in the Pacific*, Pacific Research Monograph no. 22, National Centre for Development Studies of the Australian National University, Canberra, 1989, p.69.

⁵⁸⁵ A comprehensive discussion of the importance and implications of Apia Convention is in, *Ibid.*, pp. 93-110.

Presently there are over ninety protected areas in the South Pacific. These initiatives discussed above are benefits in the area of environment protection that would not have been possible for Vanuatu and the small island states of the South Pacific if not for regionalism.

The increasing importance given to environment protection in the South Pacific and the need for cost effective and comprehensive environmental programmes led to the establishment of the SPREP. The organisation enabled the small island states of the South Pacific to co-ordinate their activities in protecting the region's environment.

Another important benefit of SPREP to Vanuatu is the fact that the activities of the organisation have been largely underwritten by assistance from regional and non-regional developed countries and organisations. Between 1993-1997 for example, Australia provided SPREP with A\$ 5.1 million in assistance.⁵⁸⁶ Vanuatu's contribution to the organisation stood at around US\$ 11,445 in 1996.⁵⁸⁷ At the present time when bilateral aid flows are declining world-wide a regional body which attracts foreign aid is very important for Vanuatu and the other South Pacific island states for the protection of the region's environment.

Between June 1995 to May 1996, SPREP carried out some 223 projects and activities in the South Pacific island countries.⁵⁸⁸ Vanuatu was the recipient of 23 of these projects and activities. The Head of the Environment Unit of Vanuatu, Mr. Bani, noted that the assistance

⁵⁸⁶ AusAID, *Australia's Overseas Aid Program 1996-97*, Australia Government Publishing Service, Canberra, 1996, p. 30.

⁵⁸⁷ W. Sutherland, *Review of Vanuatu's Membership of International Organisations*, a report prepared for the government of Vanuatu, (unpublished), 1996, p. 55.

⁵⁸⁸ *Ibid.*, pp. 29-34.

received from SPREP to the country focused mainly on areas such as climate change monitoring; conservation of biological diversity; education of the general public (through newsletters, workshops and assistance to libraries); training; technical advice; and financial assistance to participate in international meetings.⁵⁸⁹ Sutherland has noted that SPREP has been a major financial contributor to Vanuatu's environmental programme activities including a significant amount of funding for the following large projects: Vanuatu Government Environment Unit; Vanuatu National Conservation Strategy; Vatthe (Big Bay) Conservation Areas Project.⁵⁹⁰

Among the other benefits of SPREP to Vanuatu is the useful role played by the organisation in preparing regional countries for major international conferences on environment. Through SPREP, the regional governments are able to develop common positions that they present at major international conferences. Advocating common positions at international conferences are important for small island states since they have very little or no influence within the global community unless they stand united.

SPREP also provides expert advice and help to regional countries in the preparation of country reports for major international conferences. In preparation for UNCED, for example, SPREP helped prepare reports such as, *The Pacific Way: Pacific Island Developing Countries Report to the UNCED*, and the *Country Report for UNCED: Vanuatu*.⁵⁹¹ This function of SPREP in assisting the regional countries prepare for international conferences is very useful for

⁵⁸⁹ Interview with Mr. Bani, op. cit.

⁵⁹⁰ Sutherland, Review, op. cit., p. 56.

⁵⁹¹ SPREP, *The Pacific Way: Pacific Island Developing Countries Report to the UNCED*, SPREP, Apia, 1992; SPREP, *Country Report for UNCED: Vanuatu*, SPREP, Apia, 1992.

small countries such as Vanuatu that have very little financial or human resources at their disposal.⁵⁹²

Regional co-operation in the South Pacific has also focused on protecting the marine environment of the region from toxic pollution. As discussed in section 4.1, the protection of the marine environment is among the foreign policy priorities of Vanuatu. The Japanese plan at the beginning of the 1980s, to dump radioactive waste in the Pacific Ocean, about halfway between Japan and the Northern Mariana Islands, was contrary to Vanuatu's interests. Ogashiwa has noted that Japan was planning to dump around 100,000 curies of radioactive waste per year and that there was no guarantee that the waste would not escape into the marine environment.⁵⁹³ A consultant hired by the Northern Marianas to review the dumping plan argued that, "the lesson of the past oceanic radioactive waste disposal operations is clear: what we put into the sea eventually returns to us in our food".⁵⁹⁴ The Eleventh SPF held in Tarawa in July 1980 provided the forum for the emergence of firm and collective opposition to the Japanese plan from the South Pacific island states.⁵⁹⁵ The issue was also discussed at the Twentieth SPC meeting held in Port Moresby in October 1980, and a resolution expressing grave concern over plans to dump radioactive waste in the Pacific, was adopted.⁵⁹⁶ The strong opposition from the South Pacific island states led Japan, in 1981, to dump the plan.

⁵⁹² Interview with Mr. Bani, op. cit.

⁵⁹³ Ogashiwa, *Microstates and Nuclear Issues*, op. cit., p. 19.

⁵⁹⁴ G. Johnson, 'Japanese Aid with Nuclear Strings?', in *Pacific News Bulletin*, Vol. 3, No. 7, October 1988, pp.6-7.

⁵⁹⁵ Ogashiwa, *Microstates and Nuclear Issues*, op. cit., p. 19.

⁵⁹⁶ SPC, *Report of the Twentieth South Pacific Conference*, Port Moresby, 18-24 October 1980, SPC, Noumea, 1980, pp. 21-22.

The desire to place environmental protection on a legal footing led governments of South Pacific island states in 1986, to adopt the Convention for the Protection of the Natural Resources and Environment of the South Pacific Region, commonly known as the SPREP Convention.⁵⁹⁷ Vanuatu, being one of the most hard-line against nuclear-related activities in the South Pacific, strongly supported the adoption of the Convention.⁵⁹⁸ The SPREP Convention that entered into force on 18 August 1990 had a protocol prohibiting the dumping of hazardous waste, and another one on co-operation in combating pollution in the region. The Convention required signatories to prevent, reduce and control pollution in the region, specifically that from vessels, land-based sources, sea bed exploitation and exploration, airborne pollution, and toxic and hazardous waste dumping. It was a comprehensive convention for the protection of the coastal and maritime environment of the region. The significance of the agreement also lay in the fact that non-regional members of SPC which were involved in nuclear activities in the region, such as United States and France, signed the SPREP Convention.

Another convention known as the Waigani Convention, that strengthened the legal framework for the protection of the region's marine environment was concluded through the SPREP in 1995. The Waigani Convention was initiated by Papua New Guinea. However, before approaching the SPF, the idea of drawing up such a convention was first discussed by Papua New Guinea with the MSG countries. Vanuatu was quick to support the idea and was instrumental in sensitising the other South Pacific island states regarding the need for the convention.⁵⁹⁹

⁵⁹⁷ The SPREP Convention is discussed in detail in Carew-Reid, *Environment*, op. cit., pp. 80-92.

⁵⁹⁸ Interview with Mr. Bani, op. cit.

⁵⁹⁹ Interview with Mr. Sami, op. cit.

The Waigani Convention was adopted at Waigani, Papua New Guinea, on 16 September 1995. The convention aimed at banning the importation into the Forum island countries of hazardous and radioactive wastes and to control the transboundary movement and management of such waste within the South Pacific region.⁶⁰⁰ The Convention will enter into force once two thirds of the regional countries ratify it. Given the slow rate of ratification of this convention it is not sure when it will enter into force.

Regionalism also proved useful for Vanuatu in its battle against climate change. A regional stand against climate change would undoubtedly carry more weight than that of an individual nation in the international arena. Regionalism enabled Vanuatu and the rest of the SPREP member states to work collectively in the search for solutions to the threat of climate change and sea level rise due to global warming.

The first major step by Vanuatu and the other South Pacific island states against the threats posed by global warming was the Intergovernmental Meeting on Climate Change and Sea Level Rise, held in Majuro, the Marshall Islands, in 1989. At this meeting the SPREP member states took a collective stand in denouncing climate change as potentially catastrophic and threatening in the long term the very existence of low lying countries of the region.⁶⁰¹ They called on the developed industrialised countries responsible for global warming to provide the South Pacific island states with financial,

⁶⁰⁰ Forum Secretariat, 'Waigani Convention', available online: <http://chacmool.sdnf.undp.org/pacific/forumsec/docs/wc.htm>,
March 1999.

⁶⁰¹ Majuro Declaration quoted in Taplin, 'International Policy on the Greenhouse Effect', op. cit., p. 237.

scientific and technological resources to monitor and deal comprehensively with this problem.⁶⁰²

Since the Majuro Meeting the South Pacific island states have been united on the issue of climate change and sea level rise. This unity created through the framework of SPREP and other regional forums resulted in South Pacific island states presenting a united front in international forums dealing with climate change and sea level rise. These forums included the COP to the Framework Convention on Climate Change.

The only drawback of regionalism to Vanuatu lay in the conflict of interests between some regional states in the area of environment protection. On the issue of climate change, the differences in interests are most obvious between Australia and the small island states of the region. For example, prior to COP3 the small island states of the South Pacific strongly advocated a uniform reduction in greenhouse gas emissions by 20 per cent off the 1990 level in developed countries, while Australia was of the view that each country should have the right to set its own emission target. Presently, the South Pacific island states believe that a 60 - 80 per cent reduction in emissions is needed to halt climate change, while Australia has fought hard and acquired the right under the Kyoto Protocol, to increase emissions.⁶⁰³

Given the fact that almost all of the South Pacific island states are heavily dependent on Australia for development assistance and

⁶⁰² Ibid.

⁶⁰³ SPREP, Press Release, 'Pacific island countries argue for bigger emission cuts', 8 June 1999, available online, http://www.sidsnet.org/pacific/sprep/PressRelease/1999/pr9910_.htm, 10 June 1999.

other support, at times they have to compromise their own interests and accommodate those of Australia. At the SPF meeting held in Cook Islands in 1997, for example, the small island states of the South Pacific endorsed the "Australian climate treaty negotiating position of differentiation" in emission reduction, although it was not in line with their own.⁶⁰⁴ This dilemma of having to sacrifice Vanuatu's own interests to accommodate those of the others, is a reality that the country will have to live with, or is inevitable, within the framework of regional co-operation.

4.3c - Bilateralism - Vanuatu

A number of countries share similar environmental concerns and interests as Vanuatu. However shared interests and concerns do not necessarily make bilateral relations with them particularly important in furthering Vanuatu's objectives in the area of protecting the environment. Some bilateral partners are very useful in terms of the aid they provide but their policies on environment are damaging to those of Vanuatu. The significance of bilateralism in the area of environment protection will be judged in this section based on the usefulness of these partners in contributing towards the foreign policy objectives of Vanuatu focused in this chapter.

Vanuatu's bilateral connections with the regional small island states have been strong over the years and most of them share similar environment-related interests as Vanuatu. Yet, regional small island states have not been very significant at the bilateral

⁶⁰⁴ M. Pitcher, 'South Pacific Forum Communique Endorses Australia Climate Position', 16 April 1999, available online: www.weathervane.rff.org/negtable/statcomm.html, 14 May 1999.

level in contributing towards Vanuatu's foreign policy objectives. Firstly, the small island states of the South Pacific are very poor in terms of financial and human resources, and are dependent on foreign aid for the protection of their environment. Thus, these small island states of the South Pacific have not been of much help to Vanuatu in the area of environment protection as far as resources are concerned. Secondly, the existence of an effective regional framework for co-operation in the area of environment protection minimised the importance of bilateralism for co-ordination and co-operation between regional small states.

As mentioned previously, the environment-related interests of Vanuatu, the other Pacific island states and numerous other states within the international community are quite similar. Thus, in promoting environment related interests at the international level Vanuatu has been able to join forces not only with the small states of the South Pacific but other states within the global community which share similar interests. Through the AOSIS, the United Nations, and other organisations like the Commonwealth, small island states and others facing similar environmental problems, have been able to co-operate and co-ordinate their activities at the international level so as to best promote their interests. The significance of multilateral organisations such as those mentioned above diminished for Vanuatu the relevance and importance of bilateral relations with the small island states of the South Pacific in influencing events at the international level. It is only for purposes such as gaining candidature support in international elections that bilateral relations with these countries have been of significance.

In the case of larger regional partners, their policies have on certain instances been contrary and damaging to the interests of Vanuatu in the area of environment protection. For example, French nuclear testing in the South Pacific totally conflicted with Vanuatu's interest in protecting the marine environment of the region. Similarly the Australian position on the issue of climate change has been damaging to the interests of Vanuatu. At COP1 for example, Australia turned its back on Vanuatu and other small island states and was among those responsible for obstructing agreement on stringent emission reduction targets.⁶⁰⁵ At COP2, Australia used stalling tactics with respect to emission reduction, drawing harsh criticism even from quarters such as the European Union.⁶⁰⁶ Other major bilateral partners of Vanuatu in the developed world such as United Kingdom, France and Japan also did not share Vanuatu's viewpoint on the issue of climate change, as discussed in section 4.3b. In other words these countries were unwilling to sacrifice their own national interests for the sake of bilateral partners such as Vanuatu.

On issues such as those discussed above, there is virtually nothing Vanuatu can do through its bilateral links to change the policies of its partners. As a typical small island state, Vanuatu does not have economic, military, or any other power to wield in influencing the policies of these larger countries. Moreover, Vanuatu, like other small island states, has a dependent relationship with its bilateral partners, which provide the badly needed development assistance for the country. Thus, bilateralism has been of little use in instances

⁶⁰⁵ K. Hamilton, 'Aussie NZ Sell Out?', *ECO Newsletter*, 7 April 1995, Issue 10.

⁶⁰⁶ 'Aussie Bashed', *ECO Newsletter*, 18 July 1996, Issue 7.

where the environmental interests of Vanuatu clashed with the political or economic interests of the bilateral partners.

Despite conflicts of interests from time to time with some bilateral partners in the developed world, on issues such as climate change, bilateralism has not been totally useless for Vanuatu. Relations with the developed countries of the South Pacific namely, Australia and New Zealand have been very useful because of the assistance they provide. Between 1990 and 1995 Australia provided Vanuatu approximately A\$ 2.79 million in aid for areas such as disaster relief, environmental sanitation, and sea-level and climate monitoring.⁶⁰⁷ Presently there are four environment related ongoing projects in Vanuatu sponsored by Australia.⁶⁰⁸ These projects include: 1) Sustainable Forest Utilisation Project (1993-1999); 2) Land Use Planning Project for the Sustainable Development of Natural Resources (1995-2000); 3) Sea Level and Climate Monitoring (1996-2000); and 4) Pacificland Phase II for the Management of Sloping Land (1997-2000).⁶⁰⁹ Australia has committed a combined total of A\$ 19.1 million in grant aid for the full duration of the projects. Australia has also been committed to providing disaster relief to Vanuatu as the need arises.⁶¹⁰ These are important benefits reaped by Vanuatu through bilateral relations with Australia.

New Zealand has also been providing grant aid to Vanuatu for environmental projects. Since 1992 New Zealand's assistance to Vanuatu for environment protection focused on three projects. These

⁶⁰⁷ AusAID, *Australian Overseas Aid Program Official Expenditure: 1990/91 to 1994/95*, AusAID, Canberra, 1995, pp. 42-43.

⁶⁰⁸ 'Australia Aid Program to Vanuatu: Work Program 1999'. A copy of the document was made available to author by the AusAID Office in Port Vila.

⁶⁰⁹ Ibid.

⁶¹⁰ Ibid.

projects include: 1) Forestry/Environment (1997-1998); 2) Agricultural Security (1992-1993); and 3) Conservation-Big Bay (1994-1995).⁶¹¹ By the end of the 1998/99 period, New Zealand is estimated to spend a combined total of approximately NZ\$ 2.3 million for the projects. In relation to Vanuatu's needs the assistance received from New Zealand is not much, but extremely valuable given the scarcity of resources available to the improvement of the country's environment.

The other major aid donors of Vanuatu have not been contributing to environment related projects of the country. France for instance does not provide any environment related assistance to Vanuatu. According to Mr. Mundo, Cultural Attaché of the French Embassy in Port Vila, the French do not provide assistance for environmental projects to avoid duplication, since certain other countries and organisations assist Vanuatu in that area.⁶¹² Mr Mundo also noted that France and the other main aid donors to Vanuatu co-ordinate among themselves to avoid duplication in the assistance provided.

The other main bilateral aid donors to Vanuatu such as the United Kingdom and China also do not assist the country in the area of environmental protection.⁶¹³ Thus, bilateral assistance received by Vanuatu in the area of environment protection is very limited but useful. This situation is unlikely to improve in any substantial manner in the foreseeable future since aid donors are likely to

⁶¹¹ Information provided to the author by Mrs. J. Caine, Deputy High Commissioner, New Zealand High Commission, Port Vila, 5 February 1999.

⁶¹² Interview conducted by the author with Mr. Mundo, Cultural Attaché of the French Embassy, Port Vila, 5 February 1999.

⁶¹³ Interview conducted by author with Mr. N. Duggin, Programme Support Officer of the British High Commission, Port Vila, 3 February 1999; Telephone conversation between the author and the First Secretary, Economic Division, of the Chinese Embassy, Port Vila, on 4 February 1999.

favour multilateral funding institutions in the area of environment protection to bilateral arrangements. However, as Mr. M. Khaleel noted in the interview with the author, if small states like the Maldives and Vanuatu can come up with good projects there are donors out there that will be willing to finance them.

4.3d - Regionalism - Maldives

Over the past decade the Maldives has been trying to employ regionalism to further its foreign policy objectives in the area of environment protection. However, the effort has not been very successful due to the differences between the Maldives and the rest of the regional countries. It is the aim of this section to assess the effectiveness of regionalism for the Maldives in furthering the country's environment related objectives.

The differences in the physical make-up and social conditions of the Maldives and the rest of the South Asian countries are inevitably reflected in their environmental interests. However, two main factors made SAARC sympathetic and responsive, to some extent, to the sea-level rise related environmental concerns of the Maldives. Firstly, a long history of close relations with the regional countries placed the Maldives in a favourable position to obtain the support of SAARC member states on issues of concern to the country. Secondly, the SAARC region has been plagued by numerous environmental disasters such as floods, deforestation, soil erosion, droughts, and storms.⁶¹⁴ Moreover, while sea-level rise was also a serious and imminent threat to parts of Bangladesh, climate change

⁶¹⁴ The environmental problems faced by South Asian states are discussed in, Shaukat Hassan, *Adelphi Papers 262: Environmental Issues and Security in South Asia*, Autumn, 1991, The International Institute for Strategic Studies, London, pp. 7-23.

was a threat to all countries of South Asia alike. Given the fact that the region is poor, thickly populated and heavily dependent on agriculture, natural disasters due to climate change could seriously affect very large segments of the region's populace. These factors made it conducive for the Maldives to instigate regional co-operation on environment in South Asia.

Relying on the above factors, the Maldives in 1987 initiated discussion, at the Third SAARC Summit held in Kathmandu, on the inclusion of environment protection in the areas for South Asian co-operation.⁶¹⁵ The initiative was met with interest by the leaders of the SAARC member states, all of which face numerous environmental problems and are occasionally victimised by natural disasters that stem from them. Consequently, the declaration issued at the Kathmandu Summit, expressed concern over the vulnerability of the region to natural disasters such as floods, droughts, land slides, cyclones, tidal waves and the danger posed to regional countries by global sea level rise.⁶¹⁶ The Declaration also noted the decision of the South Asian leaders to engage in regional co-operation with a view to strengthening the disaster management capabilities of the region. On the initiative of President Gayoom, SAARC leaders also decided in 1987 to commission a study on the causes and consequences of natural disasters and the protection and preservation of the environment.⁶¹⁷ The Maldives also followed up its initial drive to

⁶¹⁵ SAARC Secretariat, *SAARC Summits*, SAARC Secretariat, Kathmandu, 1990, p. 150.

⁶¹⁶ 'Declaration of the Third SAARC Summit', Kathmandu, 4 November 1987, paragraph 13. A copy of the Declaration was made available to the author by the Ministry of Foreign Affairs, Male'.

⁶¹⁷ The singular commitment and contribution by President Gayoom to SAARC and especially the organisation's environment related activities are highlighted in the statement by Mr. Naeem U. Hassan, Secretary-General of SAARC, at the inaugural ceremony of SAARC Environment Ministers' Conference, 15-16 October 1997, Male'. This statement is in, SAARC Secretariat, *SAARC Environment Ministers' Conference*, 15-16 October 1997, Male', annex, IV.

initiate regional co-operation with a proposal in 1988 for the conduct of a study on greenhouse effect and its impact on South Asia. The proposal received the support of SAARC member states at their Fourth Summit Meeting in Islamabad.⁶¹⁸ The Maldives was also instrumental in designating 1992 as the 'SAARC Year of Environment'.⁶¹⁹

Two regional studies on environment have been undertaken by SAARC to date. They included, *SAARC Regional Study on the Causes and Consequences of Natural Disasters and the Protection and Preservation of the Environment*, and the, *SAARC Regional Study on Greenhouse Effect and its Impact on the Region*, were completed in 1992.⁶²⁰ A committee was also set up under SAARC to examine these studies, identify measures for action, and decide on modalities for implementing them.⁶²¹ The committee was later designated as the Technical Committee on Environment.

Studies are an essential first step in the protection of the environment. However, studies can make little difference to the physical environment unless the recommendations contained in them are implemented. SAARC has not yet been effective in implementing the recommendations contained in the two studies on environment mentioned above. Some of these recommendations included the

⁶¹⁸ 'Declaration of the Fourth SAARC Summit', Islamabad, 31 December 1988, paragraph 10. A copy of the Declaration was made available to the author by the Ministry of Foreign Affairs, Male'.

⁶¹⁹ President Gayoom, statement to the UNCED, 12 June 1992. A copy of the statement was made available to the author by the Permanent Mission of the Maldives to the United Nations.

⁶²⁰ *SAARC Regional Study on the Causes and Consequences of Natural Disasters and the Protection and Preservation of the Environment*, SAARC Secretariat, Kathmandu, 1992; *SAARC Regional Study on Greenhouse Effect and its Impact on the Region*, SAARC Secretariat, Kathmandu, 1992.

⁶²¹ 'Declaration of the Sixth SAARC Summit', Colombo, 21 December 1991, paragraph 27. A copy of the Declaration was made available to the author by the Ministry of Foreign Affairs, Male'.

dissemination of information, transfer and exchange of technologies, establishment of gauging stations to monitor sea level rise and increasing energy efficiency and conservation.⁶²² Regional leaders at the Eighth SAARC Summit held in Delhi in 1995, expressed the need for speedy action in the implementation of the recommendations.⁶²³ However, SAARC did not make any substantial progress in the field of environment protection during the subsequent two years. Consequently the Ninth and Tenth SAARC Summits held in the Maldives and Sri Lanka respectively, again reiterated the need for urgent action.⁶²⁴

The lack of political will seems to be the main reason for the ongoing delay in SAARC action in the area of environment protection. The relatively low priority afforded to environment protection could perhaps be explained as a product of more pressing socio-economic problems existing within the region. Furthermore, as far as the issue of sea level rise is concerned it is only the Maldives and Bangladesh which face an imminent serious threat. According to Mr. M. Khaleel, given the poverty, starvation, the enormity of socio-economic problems in South Asia and the limited resources available, it is unlikely that environment protection will move higher in the list of priorities of the regional countries.⁶²⁵

SAARC's lethargy in implementing concrete measures to protect the environment does not render regionalism meaningless in furthering the foreign policy objectives of the Maldives. Any progress, even if

⁶²² SAARC Regional Study on Greenhouse Effect, op. cit., pp. 164 - 166.

⁶²³ 'Declaration of the Eighth SAARC Summit', Delhi, issued on 4 May 1995, paragraph 33. A copy of the Declaration was made available to the author by the Ministry of Foreign Affairs, Male'.

⁶²⁴ 'Declaration of the Ninth SAARC Summit', Male', issued on 14 May 1997, paragraph 3; Declaration of the Tenth SAARC Summit, Colombo, 31 July 1998, paragraph 53. Copies of the Declarations were made available to the author by the Ministry of Foreign Affairs, Male'.

⁶²⁵ Interview with Mr. Khaleel, op. cit.

it is slow, is important for the Maldives. Furthermore, SAARC provides the Maldives a channel through which to impress on regional countries the need for action. Keeping this channel open is important since it is one of the few avenues through which the Maldives could exert some pressure on the regional countries to contribute to environmental protection. Unless a framework for co-operation exists there is no hope for any action at the regional level in the protection of the environment.

During the past decade SAARC has presented collective positions at international conferences on environment such as the Fourth World Conference on Natural Disaster Reduction held in Japan in 1997, Rio+5 (the Nineteenth Special Session of the United Nations General Assembly held for the purpose of review and appraisal of Agenda 21), COP3 and COP4. These positions have not been very useful for the Maldives since their scope is narrow and excludes those aspects of environment protection over which there exist differences among regional countries. Moreover, the differences in interests between the Maldives and the rest of the regional countries are such that the emphases of these collective positions were not the most desirable from the point of view of the Maldives. The common position of SAARC drawn up on the eve of COP4, for example, emphasised the need to ensure that any precept that has the potential of requiring developing countries to reduce their greenhouse gas emissions is not allowed. The common position argued, "that any attempt by some Annex I Parties to link their ratification of the Kyoto Protocol to the introduction of new commitments for non-Annex I Parties will only delay the Protocol coming into force" and that "such an attempt is totally unwarranted within the

framework of the Climate Change Convention".⁶²⁶ The need for deeper cuts in greenhouse gas emission to save small island states like the Maldives from submergence does not feature in the common position. This means that the most fundamental environment related interests of the Maldives such as a drastic reduction in greenhouse gas emission are not adequately stressed in the common positions of SAARC.

The inability to adequately address the environmental needs through SAARC forced the Maldives to join with other small states, to collectively work at the international level in furthering their environmental interests. In 1992, in the 'bloc politics' climate of the Earth Summit, the Maldives sought refuge within the AOSIS camp, of which no other South Asian country had membership.

The membership of multilateral organisations such as the United Nations, Commonwealth and most importantly the AOSIS diminishes the importance of regionalism to the Maldives in furthering environment related foreign policy objectives. Through multilateral organisations the Maldives has the opportunity to co-ordinate its actions at the international level with other countries which have similar interests. Since almost all the member states of the AOSIS, for example, have fairly similar needs and concerns as the Maldives they are able to pursue their environment related interests at the multilateral level collectively through their organisation. Thus, as mentioned in the case of Vanuatu, the Maldives' membership of multilateral organisations which are more conducive to diplomacy at the global level, makes regionalism less important in pursuing the country's foreign policy interests in the international arena.

⁶²⁶ SAARC Secretariat, *Fourth SAARC Environment Ministers Meeting*, 30 October to 1 November 1998, Colombo, Appendix A: Annex XIII.

Despite the fact that SAARC has not been very effective in contributing towards the foreign policy objectives of the Maldives, the latter has not given up on regionalism as a tool in contributing towards environment protection. In 1997, for example, the Maldives offered at the SAARC Summit in Male', to prepare a feasibility study on the establishment of a Coastal Zone Management Centre. Work on this study is presently being undertaken by the Environment Section of the Ministry of Home Affairs and Environment of the Maldives.⁶²⁷ The benefit of the Centre to the Maldives will however be limited. The Coastal Zone Management Centre is likely to focus largely on issues which are of importance to the majority of South Asian countries such as the management of river banks and marshland none of which are present in the Maldives.

Following a decision by the SAARC leaders the Maldives is also presently engaged in the preparation of a National Environment Action Plan, and a State of the Environment Report.⁶²⁸ It is true that studies and action plans are important if South Asia is to contribute towards the protection of the environment. It is also true that such reports and action plans will be of little use unless the regional states are committed to implement the various measures called for in the documents prepared. Given the numerous pressing socio-economic problems in South Asia, a strong commitment is unlikely unless SAARC receives substantial external funding for environment protection. However, aid donors are unlikely to provide funding unless South Asian countries show a strong commitment to environment protection. Overall, the future of regionalism in

⁶²⁷ Interview with Mr. Khaleel, op. cit.

⁶²⁸ Ibid.

contributing towards the environment related foreign policy objectives of the Maldives in a substantial manner is bleak.

4.3e - Bilateralism - Maldives

There are major differences between the environment-related interests of the Maldives and its major bilateral partners. These differences are particularly pronounced on the issue of climate change. Thus, bilateralism has been useful for the Maldives in furthering only some foreign policy objectives or some aspects of the objectives. It is the aim of this section to assess the significance of bilateralism in contributing towards the foreign policy objectives of the Maldives in the area of environment protection, focused in this chapter.

Bilateral relations with South Asian countries have not been of much significance to the Maldives in furthering the country's foreign policy objectives of drawing international attention to the plight of small island states in the face of the deteriorating global environment and placing global warming on the international agenda; influencing negotiations on the convention on climate change; and finding ways and means of protecting the environment at the local and regional levels. As discussed in section 4.3d bilateral partners of the Maldives in South Asia such as India and Pakistan do not share the same interests as the Maldives on issues related to global warming. Thus, they have not been of much use to the Maldives in promoting its environment related interests at the global level.

Arab states such as Saudi Arabia, Kuwait, and Qatar are another group of bilateral partners that have not been very useful in

contributing towards global warming or climate change related objectives of the Maldives. As discussed earlier in the section on globalism, petroleum exporting states such as those mentioned above have been among the most outspoken against the position of the Maldives and other small island states on the issue of global warming and sea level rise. As Rowlands has noted the member states of the Organisation of Petroleum Exporting Countries (OPEC) and those of the AOSIS are the most polarised on the issue of emission abatement.⁶²⁹ Thus, bilateral relations of the Maldives with these Arab states have been of no use in placing the issue of global warming on the international agenda or influencing negotiations on climate change.

The sympathy of the bilateral partners in the developed world, that are influential in the international arena was useful for the Maldives in placing the issue of global warming and sea level rise on the international agenda. As discussed earlier, states such as the United Kingdom were sympathetic to the concerns of the Maldives first expressed in the "Death of a Nation" speech delivered at the Vancouver CHOGM of 1997, by the President Gayoom. Such sympathy from developed countries was important in thrusting the issue of climate change onto the international agenda.

Small island states are the only countries that share similar environmental concerns as the Maldives. Yet bilateral relations with these countries have not been of much use in furthering the environment related objectives of the Maldives. Most individual small island states have neither influence within the global community nor resources that the Maldives could benefit from.

⁶²⁹ Rowlands, *The Politics of Global*, op.cit., p.212.

Moreover, small island states could co-ordinate their activities through the AOSIS making bilateral relations among them not very insignificant in furthering environment related objectives.

Bilateral relations with developed countries have been of use to the Maldives only in certain areas of environment protection. In influencing negotiations on the convention on climate change, bilateral relations with developed countries were of not much value to the Maldives. The interests of the Maldives and developed countries with respect to the issue of global warming were very different in the negotiations.

As discussed earlier in sections 4.2a and 4.2b, the problem of global warming was largely a product of industrialisation. The developed countries have been the major emitters of greenhouse gases responsible for climate change. Major changes in the industrial practices in the developed world are essential in slowing global warming. Developed countries have been reluctant to implement such change at a pace that would affect their economic progress. As such the concessions the developed countries have been willing to make in COP meetings are too little to satisfy the interests of the Maldives.

One area in which bilateralism is potentially significant for the Maldives is in gaining positions of influence in environment related international meetings and organisations. Such positions are important in exerting some influence on the developments through these meetings and organisations. The United Nations practice of allocating seats based on regional groupings means that the Maldives needs to maintain close bilateral links with regional countries if it wants to win regional seats. Bilateral links with influential

countries within the global community are also important in this respect. However, given the limitation of human resources the Maldives has not been able to stand for office in major international organisations, although the country has chaired numerous environment related meetings.⁶³⁰

In 1992, the Maldives and Vanuatu were successful in being among those elected to the vice-presidential seats allocated to the Asia-Pacific at the UNCED. They succeeded because much larger and influential countries such as Japan and Bangladesh stood down in their favour.⁶³¹ However, it should not be forgotten that the environment related interests of the Maldives are very different to those of a number of its larger bilateral partners. Thus, although bilateralism is essential in gaining positions of influence on international meetings and organisations, the Maldives cannot always count on the support of bilateral partners in elections. In other words, bilateralism is important but not always reliable when it comes to elections in environment related organisations or meetings.

The significance of bilateralism to the Maldives in the protection of the environment lies mainly in the area of development assistance. The Maldives lacks the resources to adequately address the country's environmental problems at the local level. Consequently, the country is largely dependent on foreign aid. Most of the foreign aid the country receives for the protection of the environment comes from bilateral sources.

South Asian countries such as India and Pakistan, though poor, have been very generous in assisting the Maldives. In 1991 following the

⁶³⁰ Interview with Mr. Khaleel, op. cit.

⁶³¹ Taplin, 'International Policy', op.cit., p. 227.

environmental disaster caused by monsoon winds and high tide, India provided the Maldives with assistance worth US\$1.25 million, topping the list of international donors that came to the assistance of the Maldives in that particular incident.⁶³² Pakistan was second on the list, providing US\$ 840,000 worth of assistance. The highest amount of assistance from developed countries came from the United States which provided US\$ 300,000 followed by Britain which contributed US\$ 83,000 and Norway which donated US\$ 30,000. The total amount of bilateral aid received was US\$ US\$2,690,633.74. In comparison with bilateral assistance, the total aid received from multilateral sources such as UNDP, UNICEF and UNDRO was just US\$ 95,000. OPEC provided an additional US\$ 50,000. In addition to the above financial aid small amounts of assistance in kind were received from bilateral and multilateral sources.

Maldives has also found bilateralism to be extremely important in obtaining the funds needed for environment related projects. In this respect, Japan has been the biggest donor to the Maldives. From 1996 to 1998 for instance, Japan provided approximately US\$ 21.2 million worth of assistance to protect against erosion and the threat of high waves that could inflict serious damage on the low lying islands.⁶³³ The bulk of Japanese assistance was directed towards constructing a sea-wall around Male' to protect against wave action. The other bilateral partner that provided environment related assistance to the Maldives during the above period was Canada that donated US\$9,500 for the million tree planting project.

⁶³² Disaster relief statistics was provided to the author by the Department of External Resources of the Ministry of Foreign Affairs, Male, December 1998.

⁶³³ Statistics on aid were provided to the author by the Department of External Resources, Male', December 1999.

In comparison with bilateral partners, multilateral institutions realised for the Maldives only US\$ 1.16 million worth of assistance during the above period. The GEF and the UNDP contributed this assistance. Funding from multilateral organisations is not likely to surpass in the foreseeable future the assistance received from bilateral sources. Overall, bilateralism far outweighs multilateralism or regionalism in contributing towards the foreign policy objective of finding ways and means of alleviating problems related to environmental degradation.

4.4 - Conclusions

No single foreign policy strategy discussed in this chapter was able to successfully realise all the objectives of Vanuatu and the Maldives in the area of environment protection. These objectives included drawing international attention to the plight of small island states in the face of the deteriorating global environment and placing the issue of global warming on the international agenda; influencing negotiations on climate change; and finding ways and means of alleviating environmental problems at the local and regional levels. This section will attempt to assess the relative significance of multilateralism, regionalism and bilateralism in contributing towards the objectives of the two countries.

Multilateralism was by far the most useful for Vanuatu in drawing the attention of the international community to the plight of the small island states. Starting in the late 1980s Vanuatu joined forces with other sympathetic states through multilateral forums in drawing the attention of the international community to the

environmental vulnerability of small island states. In comparison with multilateralism the usefulness of regionalism in contributing towards the objective was relatively less effective. A statement made at a regional meeting for example is not as effective in drawing international attention to the cause as a statement made in a multilateral forum like the United Nations or the Commonwealth. Bilateralism was also not useful for Vanuatu with respect to drawing international attention to the plight of small island states.

Multilateralism also proved very effective for Vanuatu on the issue of influencing negotiations on climate change. The election of Van Lierop to the chair of the AOSIS gave Vanuatu an effective position to influence negotiations. Through the AOSIS Vanuatu and other small island states were able to collectively influence the negotiations on the Framework Convention on Climate Change to an extent that would not have been possible through any other means.

The success of AOSIS has however been limited as demonstrated by the organisation's inability to gain the support of the developed countries for the proposal to establish an insurance scheme. Similarly, the position of the AOSIS on the issue of climate change has not received the support of larger countries. Furthermore, although the AOSIS led by Vanuatu managed to include a section in Agenda 21 on the needs of small states and committed the international community to assist them, the results have not been satisfactory. The developed countries have not honoured their UNCED pledge to increase ODA levels to 0.7 per cent of their GNP. Furthermore, the Developed countries at the United Nations Conference on the Sustainable Development of Small Island Developing States refused in 1994 to commit additional finance to small island states.

Nevertheless, the AOSIS continues to be a useful avenue through which small islands states can have some influence on environment related issues at the global level. Even after Vanuatu lost the chair of the AOSIS, the country has been working collectively with other regional states through the AOSIS in trying to ensure that the interests of small states receive due importance in the COPs on the Convention on Climate Change.

Regionalism has been useful for Vanuatu in protecting the environment of the country at the regional and local levels. The SPREP Convention and the Waigani Convention owe their existence to regionalism. Vanuatu has also benefited from a number of activities organised by SPREP to protect the regional environment and received assistance in preparing for major international conferences and meetings. Moreover, the activities of SPREP have been underwritten by external assistance. At a time when ODA to the South Pacific island states are declining, SPREP proves to be an important asset in the area of foreign aid. However, compared to regional and multilateral sources, bilateral partners such as Australia and New Zealand provided Vanuatu with more environment related aid.

In the case of the Maldives too multilateralism was invaluable in sensitising the international community on the plight of small island states. Through the Vancouver CHOGM and the United Nations General Assembly of 1987 the Maldives drew international attention to the threat faced by small island states due to global warming. Other small states quickly joined in the effort to place global warming on the international agenda.

Through the AOSIS the Maldives was able to join forces with other small island states in the fight against climate change and sea

level rise. AOSIS apparently, turned out to be one of the leading forces in the negotiations on the Framework Convention on Climate Change.

Regionalism was not of any use to the Maldives in placing the issue of global warming on the international agenda or influencing negotiations on climate change, due to differences in the interests of the Maldives and the rest of the regional countries. Although the Maldives received the sympathy of bilateral partners such as the United Kingdom for the environmental concerns of the country the significance of bilateralism in placing the issue of global warming on the international agenda or influencing negotiations on climate change was far less than multilateralism.

In the area of environment related aid the record of multilateralism has not been too good. Nevertheless, the general trend shows that an increasing amount of aid will in the future be diverted from bilateral programmes to multilateral or regional programmes. Moreover, multilateralism remains the most cost-effective avenue through which the Maldives could singularly and in association with other states, push the international community to increase aid allocation to small islands states. Thus, multilateralism is important in the area of environment-related aid but so far it has not been as effective as bilateralism.

Bilateralism proved the most effective for the Maldives in obtaining foreign aid for environment protection at the local level. Countries such as Japan have been invaluable for the Maldives in this respect. The assistance received from bilateral partners has been far greater in comparison with that received from multilateral and regional sources.

The contribution of regionalism to the Maldives' effort to protect its environment is likely to remain very limited in the foreseeable future. The Maldives was able to introduce environmental protection into the SAARC process and initiate two studies on the regional environment. However, the recommendations contained in the studies have not been implemented. Other more pressing problems in the regional countries have accorded very low priority to environment protection within SAARC. Nevertheless, the Maldives is continuing to work for greater regional co-operation in environmental protection.

CHAPTER V

CONCLUSIONS

This thesis was undertaken with the aim of contributing to the relatively neglected study of the foreign policy of small island states. The thesis attempted to evaluate the foreign policies of Vanuatu and the Maldives to determine whether it is justified to argue in favour of multilateralism, regionalism or bilateralism as the most effective foreign policy strategy for small states.

This study was undertaken due to two main reasons. Firstly, the literature on the foreign policy of small states is riddled with diverse views on the most effective foreign policy strategy for this group of countries creating the need for additional research in the area. Secondly, the resources available to small states are very limited making it extremely important for them to ensure that their foreign policy orientation is the most effective.

Vanuatu and the Maldives were employed as case studies in this thesis because they were small island states and their foreign policies were of the same class or universe rendering them suitable for comparison. This similarity in foreign policies largely stemmed from their common physical characteristics intrinsic to small island states and certain similarities in the historical experience of these two countries. For example, both these countries are environmentally and economically very fragile; they are LDCs on the verge of premature graduation from the category; they both faced secessionist movements just before independence; and on independence both these countries advocated the policy of non-alignment and joined international organisations such as the United Nations, the Commonwealth and the NAM.

The evaluation in this thesis was based on the framework for foreign policy evaluation suggested by G.A. Raymond. Under the framework, the foreign policies of Vanuatu and the Maldives were divided into their three elementary components - goals, objectives and actions. In identifying the goals for use in the thesis, the following three strategies suggested by Hermann were employed: 1) taking at face value the professed goals; 2) infer goals from behaviour; and 3) infer goals from the demands imposed by the environment. The goals so identified for evaluation include Preserving and Enhancing Security and Sovereignty; Economic Development; and Environment Protection.

The above goals were linked to several objectives. This thesis selected for evaluation some of the most significant of these objectives based on: 1) foreign policy actions of both countries under study; 2) statements made by officials of Vanuatu and the Maldives; and 3) academic literature on small states in general and Vanuatu and the Maldives in particular. Most of the objectives identified for evaluation were shared by both Vanuatu and the Maldives. The environment protection related objectives used in the study included: drawing international attention to the plight of the small island states and placing the issue of global warming on the international agenda; influencing negotiations on climate change; and obtaining resources for environment protection. The economic development related objectives employed for evaluation included the protection of resources; reducing vulnerabilities and the promotion of trade; and maximising development assistance. Of the security and sovereignty related objectives used in the thesis assertion of sovereignty was common to Vanuatu and the Maldives. Protecting against transnational crime was an objective of the Maldives and a professed objective of Vanuatu. The country specific objectives

employed in the thesis were tied to the goal of preserving and enhancing security and sovereignty and included the support for decolonisation and the establishment of a SPNFZ which were very significant in the foreign policy of Vanuatu, and the establishment of an IOZOP and a SANWFZ which was prominent in the foreign policy of the Maldives.

Each objective identified were linked to multilateralism, regionalism and bilateralism. Each linked goal, objective and strategy made up a program. This thesis attempted to assess each program to determine whether the strategy employed was indeed effective in contributing towards the desired goal, measured by the extent to which the objective was reached. Based on the comparative method this thesis assessed the relative effectiveness of the strategies by comparing the extent to which the different programs with the same goal realised their objectives. The results of this assessment for Vanuatu and the Maldives is then being used below for an inter-country comparison to determine whether it is possible to generalise in favour of any one strategy as more effective for the foreign policy of small island states.

In the area of preserving and enhancing security and sovereignty the evaluation revealed that multilateralism was important for Vanuatu and the Maldives at a symbolic level in asserting their sovereignty. By gaining membership of the United Nations quickly after independence these states sent a signal to the international community that they were determined to assert their sovereignty and freedom. Similarly the membership of NAM obtained by the two countries were at a symbolic level, expressions of their resolve to maintain independent foreign policies.

The one stop exposure to the international community offered through multilateral forums afforded Vanuatu and the Maldives the most cost-effective channel to have their interests, grievances and problems heard and to sensitise the international community on various issues. Based on the principles of non-alignment and assuming the moral high ground on international issues the Maldives and Vanuatu used multilateral forums in calling for disarmament, denuclearisation, decolonisation and the like. In doing so they were able to assert their sovereignty and independence in foreign policy. Regionalism was less useful for this purpose for both countries since regional forums were relatively smaller than their multilateral counterparts.

Vanuatu also used various bilateral policies to assert its sovereignty. Among these policies were the establishment of relations with radical states such as Vietnam, Cuba and Libya. However radical initiatives at the bilateral level sometimes created unnecessary friction with useful partners such as Australia, or backfired and the country had to change its policies. As for the Maldives, establishing relations with states such as Cuba did not create much controversy in the region since they were not perceived a threat by South Asian countries, most of which were members of the NAM.

Multilateralism and regionalism also proved equally useful for Vanuatu in contributing towards its objectives of supporting decolonisation and denuclearisation. In 1983, Vanuatu was instrumental in getting the Commonwealth to stress the need for the early independence of New Caledonia. The same year Vanuatu used the NAM forum to condemn Indonesian policies in East Timor. Such condemnation contributed to the international lobby against colonialism.

Through the SPF Vanuatu was able to gain regional support to reinscribe New Caledonia in the United Nations' list of colonies. Vanuatu's links with NAM member states are believed to have been very

important in the re-inscription. The overwhelming support for the decolonisation of New Caledonia demonstrated by the United Nations member states is believed to have contributed to a softening of the French position on the independence of the colony. Vanuatu had no success through SPF or multilateral organisations in enlisting East Timor and West Papua in the UN' list of colonies. Bilateralism was also not very useful for the latter purpose.

Vanuatu also used multilateral forums such as the Commonwealth and the UN to pursue its objective of denuclearisation of the Pacific. These efforts contributed to the lobby against nuclear proliferation and testing. Scholars have noted that international pressure was instrumental in France calling off her tests early.

Regionalism also enabled Vanuatu to fight for the establishment of a nuclear free zone in the region. However given the conflicting interests between Vanuatu and influential regional countries such as Australia, the former only succeeded partially in contributing towards its objective of establishing a nuclear free zone. Australia pre-empted the comprehensive SPNFZ agreement that Vanuatu was seeking, that would have jeopardised Western interests in the South Pacific. The resulting Rarotonga Treaty was what has been called a "half loaf", which was better than none. Bilateralism was not at all useful in the pursuance of the objective of denuclearisation.

As for the Maldives multilateralism was the only avenue through which it could pursue the establishment of an IOZOP and a SANWFZ. Unlike in the case of Vanuatu regionalism was not useful for the Maldives in pursuing the latter objective since there was no support for the cause from regional powers, and SAARC limited discussion to non-

controversial issues. Bilateralism was not an option for the pursuance of an IOZOP or a SANWFZ.

In the fight against transnational crime the effectiveness of multilateral organisations have been very limited for the Maldives. During the mercenary attack in 1988 the Commonwealth tried to obtain military support for the country. However the assistance that did arrive was not due to the effort of the Commonwealth Secretary General but because of bilateral relations with India. Furthermore, the effort by the Maldives following the attack to mobilise support of the United Nations community for the protection and security of small states did not prove too successful. The larger states within the organisation were unwilling to go any further than provide lip service to the special security needs of small states.

In combating transnational crime the Maldives found regionalism to be promising but not in the short-term. A regional convention on terrorism has been adopted although the necessary enabling legislation is yet to be enacted in all the regional countries. A terrorist offences monitoring desk has also been established under SAARC but it too is not yet functioning effectively.

In the case of the South Pacific, regional cooperation is growing in the area of combating transnational crime but Vanuatu has not shown a great deal of enthusiasm for the cause. Corruption in the top ranks of the country's bureaucracy is perhaps the reason for the lack of enthusiasm.

Overall, multilateralism has been more effective than regionalism or globalism in contributing towards the security and sovereignty related objectives of Vanuatu and the Maldives. Regionalism was

useful to some extent for Vanuatu with respect to two objectives. As for the Maldives regionalism was not useful in making any substantial contribution towards any objective, although SAARC promises to be of some use in the future in the area of combating crime. Bilateralism was useful for the Maldives in defending against the terrorist attack in 1988 and for Vanuatu in suppressing the Santo rebellion and in tackling the unrest in the country in 1988.

In furthering the goal of economic development both Vanuatu and the Maldives found multilateralism to be effective in contributing towards the objective of minimising vulnerabilities and promoting trade. Lomé Convention gave preferential access for Vanuatu's products to the EU, which proved to be the former's biggest export market. Furthermore the membership of multilateral forums such as the United Nations and the Commonwealth in which there are a large number of small states have been very useful for the Maldives and Vanuatu in their effort to avert premature graduation from the UN list of LDCs. In this effort the support of a number of larger states within these organisations, which were sympathetic to the cause of the small states was also significant. Moreover in today's world of declining ODA and eroding trade preferences multilateral forums have a very important role to play for small states in trying to obtain some sort of preferential treatment in trade.

Regionalism has not proved very effective for Vanuatu in the promotion of trade despite SPARTECA. Over the last decade the exports of Vanuatu to Australia and New Zealand did not climb above US\$ 2.2 million in any given year. Regional organisations do provide some services in the area of trade promotion but the effectiveness of such assistance has been very limited. The benefits of trade through the agreement between the MSG countries have also not been

as effective as trade through multilateral arrangements or institutions.

The effectiveness of regionalism to the Maldives in the area of trade has also been very limited. SAPTA has not been effective in increasing the exports of the Maldives to regional countries. Imports from the regional countries to the Maldives continue to rise constantly from the pre-SAPTA period. The usefulness of the proposed SAFTA is also questionable given the fact that the Maldives will lose a large chunk of its government revenue from taxes and the country does not at the moment have appropriate export products to take advantage of the regional markets.

Bilateralism has been as useful as multilateralism for both Vanuatu and the Maldives in contributing towards the objective of minimising vulnerabilities and promoting trade. Under bilateral arrangements such as the GSP the Maldives and Vanuatu have preferential access to the markets of bilateral partners. As a result of GSP Japan is the second largest export market for Vanuatu. As for the Maldives UK and Germany are among the most valued markets. Although the US does not extend preferential treatment to the Maldives under the GSP the quota for garments provided to the country under MFA is very valuable for trade.

Multilateralism and regionalism complemented each other for Vanuatu in protecting its marine resources. The large number of small island states within the South Pacific enabled cooperation in protecting the marine resources of the region. It was within the SPF that the momentum was built to thrust the issue of driftnet fishing onto the global scene eventually culminating in the UN decision to ban the practice. The FFA supported by Australia, New Zealand and France is

playing a very effective role in monitoring and surveillance of the regional EEZs. The organisation is also doing an effective job in managing the region's fishery resources by instituting various rules and regulations to be followed by distant water fishing nations. The regional states were also able to use the organisation to collectively bargain with the United States over fishing rights within the South Pacific. The organisation also provides a range of services to member states such as the collection and dissemination of scientific data on the region's marine resources.

As for the Maldives regionalism has not been useful at all in the protection of the country's marine resources. Given the high degree of political tension within the region the monitoring of EEZs is too sensitive an issue to be made an area for cooperation under SAARC.

In pursuing the objective of obtaining foreign aid too regionalism has been important to Vanuatu but not for Maldives. Regional organisations in the South Pacific receive a substantial amount of funding from external sources. Thus regionalism proved to be a useful source to supplement the declining ODA to the country. Unlike the regional organisations in the South Pacific, SAARC does not receive much assistance from external sources. Moreover a large chunk of whatever funding received by the organisation goes to projects which have very little relevance to the Maldives given the differences between the latter and the rest of the regional states.

Bilateralism is the most effective strategy for the Maldives as far as foreign aid is concerned. This is the case with Vanuatu too. Aid received from bilateral sources far outweigh assistance from regional or multilateral sources in the case of both of these countries.

Overall, bilateralism was more effective for both Vanuatu and the Maldives in contributing towards the foreign policy goal of economic development. Multilateralism was equally important for both Vanuatu and the Maldives although to a lesser degree than bilateralism. Regionalism proved useful only to Vanuatu in contributing towards its economic development related objectives considered in this thesis.

In contributing towards the foreign policy goal of environment protection both Vanuatu and the Maldives found multilateralism to be very effective in furthering two of their objectives - (a) enhancing international awareness of the threat of environmental degradation to small island states and placing climate change on the international agenda; and (b) influencing climate change negotiations. The membership of multilateral organisations enabled the Maldives to raise the issue of global warming and the threat it posed to small island states at the Commonwealth and the United Nations in 1987 thereby bringing the issue into the international spotlight. Other small states within these organisations were quick to join in placing the issue on the international agenda. The AOSIS led by Vanuatu was able to play a significant role in the negotiations on climate change. At the UNCED the joint effort of small states through the AOSIS enabled them to include several issues favourable to their cause in the Agenda 21.

Nevertheless there were limits to the success of small states through multilateral institutions. For example, developed countries did not take any action on the insurance scheme proposed by the AOSIS. Similarly the Convention on Climate Change is still not what the small island states would like it to be. As such Vanuatu and the Maldives are still working through the AOSIS to halt global warming and climate change.

Regionalism was not useful for the Maldives in contributing towards the above objectives due to the differences in the interests and commitment of the Maldives and the rest of the regional countries. Even for Vanuatu regionalism was of not much use in furthering the above two objectives. The main reason being the fact that all the regional states were members of the AOSIS which was a more effective body to act at the international level. Bilateralism was also of not much use to Vanuatu or the Maldives in contributing towards the above two objectives.

In obtaining foreign aid both the Maldives and Vanuatu found bilateralism to be more effective than multilateralism or regionalism. The level of aid received by both these countries from bilateral partners were much higher than that from multilateral or regional sources.

Vanuatu found regionalism also to be of significant importance, although not as much as bilateralism, since SPREP received a substantial amount of assistance from external sources. Moreover the co-ordinating role played by SPREP and the various activities of the organisations such as awareness raising and training was useful for Vanuatu. As for the Maldives, regionalism was not at all useful in obtaining assistance to protect the environment.

Overall, multilateralism was the most effective in contributing towards two objectives of the Maldives and Vanuatu which included raising international awareness and placing global warming on the international agenda, and influencing negotiations on the Convention on Climate Change. Regionalism was only effective for Vanuatu in

obtaining foreign aid. Bilateralism was the most effective for both the countries in contributing towards the latter objective.

The above evaluation demonstrated a slight bias in favour of multilateralism as more useful overall compared to regionalism and bilateralism, in contributing towards the foreign policy objectives of Vanuatu and the Maldives. This was because all of the objectives were given equal weight in the analysis. If the objectives were prioritised then the results would have been different. For instance if foreign aid and physical security were considered the priority of small island states then bilateralism would have been considered the most effective strategy. Thus there is no justification to argue in favour of any one foreign policy strategy as the most effective for small states.

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